

NEW ISSUE
BOOK-ENTRY-ONLY

RATINGS: See "RATINGS" herein

In the opinion of Ice Miller, Indianapolis, Indiana, Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the Bonds (as defined herein) is exempt from income taxation in the State of Indiana. See "TAX MATTERS," and Appendix C.

\$107,675,000
INDIANA BOND BANK
TAXABLE SCHOOL SEVERANCE FUNDING BONDS
SERIES 7 A

Dated: Date of Delivery

Due as shown herein.

The Indiana Bond Bank Taxable School Severance Funding Bonds Series 7 A (the "Bonds") are issuable only as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the Bonds will be made in book-entry-only form, in the denomination of \$5,000 and integral multiples thereof. Purchasers of beneficial interests in the Bonds (the "Beneficial Owners") will not receive physical delivery of certificates representing their interests in the Bonds. Interest on the Bonds is payable on January 15 and July 15 of each year commencing July 15, 2005, and such interest, together with the principal of the Bonds, will be paid directly to DTC by The Bank of New York Trust Company, N.A., Indianapolis, Indiana, as trustee (the "Trustee") under a Trust Indenture, dated as of October 15, 2004 (the "Indenture"), as defined and described herein, so long as DTC or its nominee is the registered owner of the Bonds. The Indiana Bond Bank (the "Bond Bank") may provide for payment of interest to any holder of Bonds in amounts aggregating \$1,000,000 or more by wire transfer or other method which is acceptable to the Trustee and the Bondholder. The final disbursement of such payments to the Beneficial Owner of the Bonds will be the responsibility of the DTC Direct Participants and the Indirect Participants, all as defined and more fully described herein under "THE BONDS - Book-Entry-Only System."

Payment of the principal of and interest on the Bonds when due will be guaranteed under a municipal bond new issue policy to be issued upon the delivery of the Bonds by Financial Guaranty Insurance Company. See "BOND INSURANCE" and Appendix D.



The Bonds are authorized by a resolution adopted by the Board of Directors of the Bond Bank and are issued under and secured by the Indenture, all pursuant to the laws of the State of Indiana (the "State"), particularly Indiana Code 5-1.5 (the "Act"), for the purpose of providing funds to purchase general obligations bonds (the "Qualified Obligations") of certain Indiana school corporations (the "Qualified Entities") which are authorized under Indiana law to issue the Qualified Obligations to fund existing unfunded contractual liabilities for retirement or severance payments as of June 30, 2001. The Qualified Obligations are payable by the Qualified Entities from unlimited ad valorem taxes to be collected on all taxable property within the boundaries of the Qualified Entities. The principal of and interest on the Bonds are payable from the proceeds of Qualified Obligation Payments and other moneys held under the Indenture, including funds made available by the Investment Agreement, as defined and described herein.

The Bonds maturing on or after January 15, 2015 are subject to optional redemption prior to maturity on and after July 15, 2014 at par.

The Bonds maturing on January 15, 2025 and on January 15, 2030 are subject to mandatory sinking fund redemption. See "THE BONDS - Mandatory Redemption."

The Bonds are payable by the Bond Bank solely from the revenues and other funds of the Bond Bank pledged therefor under the Indenture. Such revenues and funds include payments by the Qualified Entities on their respective Qualified Obligations ("Qualified Obligation Payments"). See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

THE BONDS ARE LIMITED OBLIGATIONS OF THE BOND BANK PAYABLE SOLELY OUT OF THE REVENUES AND FUNDS OF THE BOND BANK PLEDGED THEREFOR UNDER THE INDENTURE, AS MORE FULLY DESCRIBED HEREIN. THE BONDS DO NOT CONSTITUTE A GENERAL OR MORAL OBLIGATION OF THE BOND BANK AND A DEBT SERVICE RESERVE WILL NOT BE MAINTAINED BY THE BOND BANK FOR THE BONDS. THE BONDS DO NOT CONSTITUTE A DEBT, LIABILITY OR LOAN OF THE CREDIT OF THE STATE OF INDIANA (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING ANY QUALIFIED ENTITY, UNDER THE CONSTITUTION AND LAWS OF THE STATE OR A PLEDGE OF THE FAITH, CREDIT AND TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING ANY QUALIFIED ENTITY. THE BOND BANK HAS NO TAXING POWER.

The Bonds are being offered by City Securities Corporation, Citigroup and Siebert Brandford Shank & Co., LLC, the Underwriters ("Underwriters") when, as and if issued by the Bond Bank and received by the Underwriters subject to prior sale, withdrawal or modification of the offer without notice, and to the approval of legality by Ice Miller, Indianapolis, Indiana, Bond Counsel. Certain legal matters will be passed on for the Bond Bank by its General Counsel, Barnes & Thornburg LLP, Indianapolis, Indiana, and for the Underwriters by their counsel, Mayer, Brown, Rowe & Maw LLP, Chicago, Illinois. It is expected that the Bonds in definitive form will be available for delivery to DTC in New York, New York, on or about October 20, 2004.



Citigroup

Siebert Brandford Shank & Co., LLC

Date: October 6, 2004

\$107,675,000
INDIANA BOND BANK
TAXABLE SCHOOL SEVERANCE FUNDING BONDS SERIES 7 A

<u>Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>
7/15/05	\$1,640,000	2.400%	100.00%	1/15/13	\$3,750,000	4.620%	100.00%
1/15/06	2,685,000	2.710	100.00	7/15/13	3,860,000	4.710	100.00
7/15/06	2,740,000	2.910	100.00	1/15/14	3,935,000	4.800	100.00
1/15/07	2,765,000	3.170	100.00	7/15/14	4,025,000	4.810	100.00
7/15/07	2,805,000	3.330	100.00	1/15/15	4,145,000	4.920	100.00
1/15/08	2,850,000	3.570	100.00	7/15/15	3,305,000	4.920	100.00
7/15/08	2,910,000	3.710	100.00	1/15/16	3,400,000	5.070	100.00
1/15/09	2,970,000	3.840	100.00	7/15/16	3,495,000	5.070	100.00
7/15/09	3,235,000	3.960	100.00	1/15/17	3,560,000	5.170	100.00
1/15/10	3,295,000	4.080	100.00	7/15/17	2,940,000	5.170	100.00
7/15/10	3,370,000	4.180	100.00	1/15/18	3,025,000	5.270	100.00
1/15/11	3,440,000	4.300	100.00	7/15/18	2,940,000	5.270	100.00
7/15/11	3,515,000	4.390	100.00	1/15/19	3,025,000	5.370	100.00
1/15/12	3,595,000	4.480	100.00	7/15/19	3,100,000	5.370	100.00
7/15/12	3,675,000	4.550	100.00	1/15/20	3,200,000	5.470	100.00

\$10,335,000 Term Bonds Maturing January 15, 2025

Interest Rate: 5.560%; Price: 100.00%

\$145,000 Term Bonds Maturing January 15, 2030

Interest Rate: 5.730%; Price: 100.00%

The Bonds maturing on and after January 15, 2015 are subject to optional redemption prior to maturity on and after July 15, 2014 at par. The Bonds maturing on January 15, 2025 and January 15, 2030, are subject to mandatory sinking fund redemption as shown herein.

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE BOND BANK OR BY THE UNDERWRITERS TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT, AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY ANY OF THE FOREGOING. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, AND THERE SHALL NOT BE ANY SALE OF ANY OF THE SECURITIES DESCRIBED HEREIN BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE BOND BANK OR ANY OTHER PERSON SUBSEQUENT TO THE DATE AS OF WHICH SUCH INFORMATION IS PRESENTED.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET, AND SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

UPON ISSUANCE, THE BONDS WILL NOT BE REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE BONDS OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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OFFICIAL STATEMENT

\$107,675,000

Indiana Bond Bank Taxable School Severance Funding Bonds Series 7 A

INTRODUCTION

The purpose of this Official Statement, including the cover page and the appendices, is to set forth certain information concerning the issuance and sale by the Indiana Bond Bank (the “Bond Bank”) of its \$107,675,000 aggregate principal amount of Taxable School Severance Funding Bonds Series 7 A (the “Bonds”). The Bonds are authorized by a resolution adopted by the Board of Directors of the Bond Bank on September 14, 2004, and are issued under and secured by a Trust Indenture, dated as of October 15, 2004 (the “Indenture”), between the Bond Bank and The Bank of New York Trust Company, N.A., Indianapolis, Indiana, as trustee, registrar and paying agent (the “Trustee”), all pursuant to the laws of the State of Indiana (the “State”), particularly Indiana Code, Title 5-1.5 (the “Act”).

The Program

The Bond Bank has established a program (the “Program”) to purchase general obligation bonds (the “Qualified Obligations”) issued by certain Indiana school corporations (the “Qualified Entities”), which are authorized under Indiana law to issue the Qualified Obligations to fund existing unfunded contractual liabilities for retirement or severance payments (as of June 30, 2001), which constitute payments anticipated to be required to be made to employees of the Qualified Entity upon or after the termination of their employment by the Qualified Entity under an existing or previous employment agreement. The proceeds from the sale of the Bonds will be used (i) to purchase the Qualified Obligations of the Qualified Entities, (ii) to pay the premium on the municipal bond insurance policy securing the payment of principal of and interest on the Bonds when due, and (iii) to pay all or a portion of the costs of issuance of the Bonds. As of the date of the issuance of the Bonds, the Bond Bank will have entered into purchase agreements (each, a “Purchase Agreement” and collectively, the “Purchase Agreements”) governing the terms for the purchase of the Qualified Obligations of the Qualified Entities. See “FORM OF QUALIFIED ENTITY PURCHASE AGREEMENT” in Appendix E.

Security and Sources of Payment for the Bonds

The Bonds will be issued under and secured by the Indenture. The Bonds do not constitute a general or moral obligation of the Bond Bank. The Bond Bank will not maintain a debt service reserve for the Bonds and the provisions of Indiana Code 5-1.5-5, pertaining to a moral obligation of the Indiana General Assembly to replenish a debt service reserve, do not apply to the Bonds. Neither the faith, credit nor taxing power of the State or any political subdivision thereof, including the Qualified Entities, is pledged to the payment of the principal of or interest on the Bonds. The Bonds are not a debt, liability, or loan of the credit of the State or any political subdivision thereof, including the Qualified Entities. The Bond Bank has no taxing

power and has only those powers and sources of revenue set forth in the Act. The Bonds are issued and secured separately from all other obligations issued by the Bond Bank.

The Bonds are secured by the pledge of the Trust Estate established under the Indenture (the “Trust Estate”), which includes (a) all right, title and interest of the Bond Bank in, to and under the Purchase Agreements and the Qualified Obligations; (b) all right, title and interest in any and all other property, real, personal or mixed, from time to time conveyed, mortgaged, pledged, assigned or transferred as additional security under the Indenture by the Bond Bank or by anyone on behalf of the Bond Bank; (c) the proceeds from the sale of the Bonds; and (d) all revenues held in the Funds and Accounts under the Indenture. All Bonds will be secured equally and ratably by all of the foregoing. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.”

Payment of the principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy (the “Bond Insurance Policy”) to be issued, upon the delivery of the Bonds, by Financial Guaranty Insurance Company (the “Bond Insurer”). See “BOND INSURANCE” and Appendix D.

The principal source of payment on the Bonds will be the principal and interest payments received by the Bond Bank from the Qualified Entities under the Qualified Obligations. The principal of and interest on the Qualified Obligations are payable out of certain ad valorem property tax revenues as further described under the caption, “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Provisions for Payment of the Qualified Obligations.”

It is anticipated that the proceeds of the Bonds will be used to purchase Qualified Obligations under the Program of the Qualified Entities described in, and in the amounts set forth in Appendix A.

The Bond Bank

The Bond Bank is a separate body corporate and politic, constituting an instrumentality of the State for the public purposes set forth in the Act. The Bond Bank is not an agency of the State, but is separate from the State in its corporate and sovereign capacity and has no taxing power. The Bond Bank is governed by a Board of seven Directors, including the Treasurer of the State, who serves as Chairman Ex Officio, and the Director of the State Department of Financial Institutions, who serves as a Director Ex Officio and five additional Directors, each appointed by the Governor of the State.

Under separate trust indentures and other instruments authorized under the Act, the Bond Bank has previously issued and had outstanding as of October 1, 2004, an aggregate principal amount of approximately \$3,772,165,000 in separate program obligations. Additionally, as of the date of this Official Statement, the Bond Bank is considering undertaking other types of financing for qualified entities for purposes authorized by and in accordance with the procedures set forth in the Act, including the issuance of the Indiana Bond Bank Taxable School Severance Funding Bonds Series 7 B being issued concurrently with the Bonds. The obligations issued by the Bond Bank in connection with any and all such financings, if any, will be secured separately

from the Bonds and will not constitute Bonds under the Indenture or for purposes of this Official Statement.

The Act

Pursuant to the Act, the purpose of the Bond Bank is to assist “qualified entities,” defined in the Act to include political subdivisions, as defined in Indiana Code 36-1-2-13, leasing bodies, as defined in Indiana Code 5-1-1-1(a), any commissions, authorities or authorized bodies of any qualified entity, and any organizations, associations or trusts with members, participants or beneficiaries that are all individually qualified entities. The Bond Bank provides such assistance through programs of, among other things, purchasing the bonds or evidences of indebtedness of such qualified entities. Under the Act, “qualified entities” include entities such as cities, towns, counties, school corporations, library corporations, special taxing districts and nonprofit corporations and associations which lease facilities or equipment to such entities. Each of the school corporations described in Appendix A is a “qualified entity” within the meaning of the Act.

The Official Statement; Additional Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

The information contained under the caption “INTRODUCTION” is qualified by reference to this entire Official Statement, including the Appendices hereto. This introduction is only a brief description and a full review should be made of this entire Official Statement, including the appendices hereto, as well as the documents summarized or described in this Official Statement. The summaries of and references to all documents, statutes and other instruments referred to in this Official Statement do not purport to be complete and are qualified in their entirety by reference to the full text of each such document, statute or instrument. Certain terms used in this Official Statement are defined in Appendix B.

Information contained in this Official Statement with respect to the Bond Bank and the Qualified Entities and copies of the Indenture and the form of Purchase Agreement may be obtained from the Indiana Bond Bank, 2980 Market Tower, 10 West Market Street, Indianapolis, Indiana 46204. The Bond Bank’s telephone number is (317) 233-0888.

It is the Bond Bank’s current policy to provide its financial statements to the holders of its obligations, including the Bonds, upon written request. In addition, certain other information concerning the Bond Bank is available to the Trustee and holders of the Bonds pursuant to the Indenture. See “CONTINUING DISCLOSURE.”

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

The Bonds are limited obligations of the Bond Bank payable only out of the Trust Estate. The Indenture creates a continuing pledge of and lien upon the Trust Estate to secure the full and final payment of the principal of, and interest on, all of the Bonds. The Bonds do not constitute a debt, liability or loan of the credit of the State or any political subdivision thereof, including any Qualified Entity, under the constitution of the State or a pledge of the faith, credit and taxing

power of the State or any political subdivision thereof, including any Qualified Entity. The Bond Bank has no taxing power. The Bonds do not constitute a general or moral obligation of the Bond Bank. The Bond Bank will not maintain a debt service reserve for the Bonds and the provisions of Indiana Code 5-1.5-5 do not apply to the Bonds. Indiana Code 5-1.5-5 pertains to the requirement that, if there is a deficiency in a debt service reserve fund securing obligations of the Bond Bank, the Chairman of the Bond Bank must certify the amount of such a deficiency to the Indiana General Assembly for its consideration on whether to appropriate funds to restore the debt service reserve fund to its requirement. However, no debt service reserve fund has been established under the Indenture, and, therefore, the provisions of Indiana Code 5-1.5-5 do not apply to the Bonds.

Under the Indenture, the Bonds are secured by a pledge to the Trustee of the Trust Estate, which includes (a) all right, title and interest of the Bond Bank in, to and under the Qualified Obligations and the Purchase Agreements; (b) all right, title and interest in any and all other property, real, personal or mixed, from time to time conveyed, mortgaged, pledged, assigned or transferred as additional security under the Indenture by the Bond Bank or by anyone on behalf of the Bond Bank; (c) the proceeds from the sale of the Bonds; and (d) all revenues held in the Funds and Accounts under the Indenture. The payments with respect to the Qualified Obligations have been structured, as of the date of issuance of the Bonds, to be sufficient along with earnings thereon, and other money in the Funds and Accounts under the Indenture and the earnings thereon, to pay the principal of and interest on the Bonds when due.

The Qualified Entities and the Qualified Obligations

From the proceeds of the Bonds, the Bond Bank intends to purchase and, upon purchase, will pledge to the Trustee the Qualified Obligations. The Qualified Obligations issued by the Qualified Entities and purchased by the Bond Bank under the Program are general obligation bonds of the Qualified Entities issued to fund existing unfunded contractual liabilities for retirement or severance payments (as of June 30, 2001), which constitute payments anticipated to be required to be made to employees of the Qualified Entity upon or after the termination of their employment by the Qualified Entity under an existing or previous employment agreement. See “THE PROGRAM.”

The proceeds of the Bonds are anticipated to be used by the Bond Bank to purchase the Qualified Obligations of the respective Qualified Entities described in, and in the amounts set forth in, Appendix A hereto. Certain information related to such Qualified Entities is also set forth in Appendix A. As of the date of the issuance of the Bonds, the Bond Bank will have entered into a Purchase Agreement with each Qualified Entity to purchase their respective Qualified Obligations.

Provisions for Payment of the Qualified Obligations

The Qualified Obligations are general obligations of the Qualified Entity, payable out of unlimited ad valorem property tax revenues to be collected on all of the taxable property within the boundaries of the respective Qualified Entities. Indiana Code 20-5-4-10 provides for the establishment by the Indiana Department of Local Government Finance (the “Department of Local Government Finance”) of an adequate local school corporation levy to meet the payments

of its general obligation bonds and lease rental obligations and provides for such payments if the Qualified Entity cannot meet the payment obligation.

Prior to the end of each calendar year, the Department of Local Government Finance reviews the bond and lease rental levies of each Qualified Entity that are payable in the next succeeding year, and the appropriations from such levies. If such levies and appropriations of the Qualified Entity are not sufficient to pay the debt service obligations, the Department of Local Government Finance will establish bond and lease rental levies and appropriations which are sufficient to pay such debt service obligations. Upon the failure of any Qualified Entity to pay any of its debt service obligations during the calendar year when due, the State Treasurer, upon being notified of such failure to pay, will make such payment from the funds of the State to the extent, but not in excess, of any amounts appropriated by the General Assembly for the calendar year for distribution to such Qualified Entity from State funds, deducting such payment from amounts thus appropriated.

Procedures for Property Assessment, Tax Levy and Collection

The Qualified Obligations of each Qualified Entity are payable from special unlimited ad valorem property taxes required by law to be levied by or on behalf of that Qualified Entity. Real and personal property in the State is assessed each year as of March 1. On or before August 1 each year, the County Auditor must submit to each underlying unit a statement of (i) the information concerning the assessed value of the taxing unit for the next calendar year, and (ii) an estimate of the taxes to be distributed to the unit during the last six months of the current budget year.

By statute, the budget, tax rate and levy must be established: no later than the last meeting of the fiscal body in September for Marion County; no later than September 30 for all second class cities; and no later than September 20 for all other units. The budget, tax levy and tax rate are subject to review and revision by the Department of Local Government Finance which can lower, but not raise, the tax levy or tax rate unless the levy proposed by the Qualified Entity is not sufficient to make its debt service or lease rental payments. The Department of Local Government Finance must complete its actions on or before February 15 of the immediately succeeding calendar year.

On or before March 15, the County Auditor prepares and delivers the final abstract of property taxes to the State Auditor. The County Treasurer mails tax statements the following April (but in some Counties mailing may be delayed due to reassessment or other factors). Property taxes are due and payable to the County Treasurer in two installments on May 10 and November 10. If an installment of taxes is not completely paid on or before the due date, a penalty of 10% of the amount delinquent is added to the amount due. On May 11 and November 11 of each year after one year of delinquency, an additional penalty equal to 10% of any taxes remaining unpaid is added. The penalties are imposed only on the principal amount of the delinquency. Property becomes subject to tax sale procedures on July 1 if a delinquency then exists with respect to an installment due on or before May 10 of the prior year. The County Auditor distributes property taxes collected to the various taxing units on or before the June 30 or December 31 after the due date of the tax payment.

Pursuant to State law, real property is valued for assessment purposes at its “true tax value” as defined in the 2002 Real Property Assessment Manual adopted by the Department of Local Government Finance (the “Manual”), and as interpreted in the rules and regulations of the Department of Local Government Finance, including the 2002 Real Property Assessment Guidelines, Version A (the “Guidelines”) and the Real Property Assessment Manual Rule, 50 IAC 2.3. The Manual defines “true tax value” as “the market value in use of property for its current use, as reflected by the utility received by the owner or a similar user from that property.” The Manual permits assessing officials in each county to choose any acceptable mass appraisal method to determine true tax value, taking into consideration the ease of administration and the uniformity of the assessments produced by that method. The Guidelines were adopted to provide assessing officials with an acceptable appraisal methodology, although the Manual makes it clear that assessing officials are free to select from any number of appraisal methods, provided that they are capable of producing accurate and uniform values throughout the jurisdiction and across all classes of property. The Manual specifies the standards for accuracy and validation that the Department of Local Government Finance will use to determine the acceptability of any alternate appraisal method.

“Gross Assessed Value” is equal to the true tax value. “Net Assessed Value” or “Taxable Value” represents the “Gross Assessed Value” less certain deductions for mortgages, veterans, the aged, the blind, economic revitalization, resource recovery systems, rehabilitated residential property, solar energy systems, wind power devices, coal conversion systems, hydroelectric power devices, geothermal devices, and tax-exempt property. The “Net Assessed Value” or “Taxable Value” is the value used for taxing purposes in the determination of tax rates.

If a change in assessed value occurs, a written notification is sent by either the township assessor or the County Board of Review to the affected property owner. Upon notification, if the owner wishes to appeal this action, the owner may file a petition requesting a review of the action. This petition must be filed with the County Assessor within 45 days after the written notification is given to the property owner or on May 10 of that year, whichever is later. While the appeal is pending, any taxes on real property that become due on the property in question must be paid in an amount based on the immediately preceding year's assessment or it may be paid based on the amount that is billed.

Indiana Code 6-1.1-21-5 provides each taxpayer with a property tax credit in an amount equal to the sum of the following: (a) sixty percent (60%) of a taxpayer's tax liability in a calendar year for taxes imposed by a school corporation for its general fund for a stated assessment year on all real and personal property; (b) approximately twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on real property; (c) and approximately twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on tangible personal property other than business personal property.

On December 4, 1998, the Indiana Supreme Court affirmed in part and reversed in part a ruling by the Indiana Tax Court that the true tax value method of valuing property for purposes of levying property taxes is unconstitutional. *Town of St. John v. State Board of Tax*

Commissioners, 702 N.E.2d 1034 (Ind. 1998). The Indiana Supreme Court ruled that the true tax value method is constitutional but the cost schedules used by the State Board of Tax Commissioners (now the Department of Local Government Finance) were unconstitutional. This ruling affects only the valuation method and does not affect the ability of the Qualified Entity to levy an unlimited property tax to pay debt service. On May 31, 2000, the Indiana Tax Court ordered the State Board of Tax Commissioners to adopt the new assessment regulations by June 1, 2001 and to complete reassessment under those regulations by March 1, 2002. The State Board of Tax Commissioners published the new assessment rules, which were effective June 22, 2001. A general reassessment of real property in the State commenced in 2001 and is continuing in some Counties. Reassessment was not completed in time to allow for the collection of all of the property taxes in 2003 or 2004 for some of the Counties in which the Qualified Entities are located. The existence and duration of delays are expected to vary in each of these Counties and are subject to a number of factors including the duration of the processing time necessary to complete the property tax assessment and collection process at the Offices of the County Assessors, the County Auditors and the County Treasurers and at the Department of Local Government Finance. The Qualified Entities located in these counties have other alternatives for the payment of debt service, including using other funds or obtaining a temporary borrowing in anticipation of the delayed tax collections. However, no assurances can be given by the Bond Bank regarding the feasibility of any such alternatives or when all counties will complete reassessment.

Enforcement of Qualified Obligations

As the owner of the Qualified Obligations, the Bond Bank has available to it all remedies available to owners or holders of securities issued by the Qualified Entities. The Act provides that, upon the sale and delivery of any Qualified Obligations to the Bond Bank, the Qualified Entity is deemed to have agreed that all statutory defenses to nonpayment are waived in the event that such Qualified Entity fails to pay principal of, or interest on, such Qualified Obligations when due.

BOND INSURANCE

Financial Guaranty Insurance Company (the “Bond Insurer”) has supplied the following information for inclusion in this Official Statement. Reference is made to Appendix D for a specimen of the Bond Insurer’s policy.

Payments Under the Policy

Concurrently with the issuance of the Bonds, the Bond Insurer will issue its Municipal Bond New Issue Insurance Policy for the Bonds (the “Policy”). The Policy unconditionally guarantees the payment of that portion of the principal of and interest on the Bonds which has become due for payment, but shall be unpaid by reason of nonpayment by the Bond Bank. The Bond Insurer will make such payments to U.S. Bank Trust National Association, or its successor as its agent (the “Fiscal Agent”), on the later of the date on which such principal or interest (as applicable) is due or on the business day next following the day on which the Bond Insurer shall have received notice (in accordance with the terms of the Policy) from an owner of the Bonds or the Trustee of the nonpayment of such amount by the Bond Bank. The Fiscal Agent will

disburse such amount due on any Bond to its owner upon receipt by the Fiscal Agent of evidence satisfactory to the Fiscal Agent of the owner's right to receive payment of the principal or interest (as applicable) due for payment and evidence, including any appropriate instruments of assignment, that all of such owner's rights to payment of such principal or interest shall be vested in the Bond Insurer. The term "nonpayment" in respect of a Bond includes any payment of principal or interest (as applicable) made to an owner of a Bond which has been recovered from such owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction.

Once issued, the Policy is non-cancellable by the Bond Insurer. The Policy covers failure to pay principal of the Bonds on their stated maturity dates and their mandatory sinking fund redemption dates, and not on any other date on which the Bonds may have been otherwise called for redemption, accelerated or advanced in maturity. The Policy also covers the failure to pay interest on the stated date for its payment. In the event that payment of the Bonds is accelerated, the Bond Insurer will only be obligated to pay principal and interest in the originally scheduled amounts on the originally scheduled payment dates. Upon such payment, the Bond Insurer will become the owner of the Bond, appurtenant coupon or right to payment of principal or interest on such Bond and will be fully subrogated to all of the Bondholder's rights thereunder.

The Policy does not insure any risk other than nonpayment by the Bond Bank. Specifically, the Policy does not cover: (i) payment on acceleration, as a result of a call for redemption (other than mandatory sinking fund redemption) or as a result of any other advancement of maturity; (ii) payment of any redemption, prepayment or acceleration premium; or (iii) nonpayment of principal or interest caused by the insolvency or negligence or any other act or omission of the Trustee.

As a condition of its commitment to insure the Bonds, the Bond Insurer may be granted certain rights under the Bond documentation. The specific rights, if any, granted to the Bond Insurer in connection with its insurance of the Bonds may be set forth in the description of the principal legal documents appearing elsewhere in this Official Statement, and reference should be made thereto.

The Policy is not covered by the Property/Casualty Insurance Security Fund specified in Article 76 of the New York Insurance Law

The Bond Insurer

The Bond Insurer, a New York stock insurance corporation, is a direct, wholly-owned subsidiary of FGIC Corporation, a Delaware corporation, and provides financial guaranty insurance for public finance and structured finance obligations. The Bond Insurer is licensed to engage in financial guaranty insurance in all 50 states, the District of Columbia and the Commonwealth of Puerto Rico and, through a branch, in the United Kingdom.

On December 18, 2003, an investor group consisting of The PMI Group, Inc. ("PMI"), affiliates of The Blackstone Group L.P. ("Blackstone"), affiliates of The Cypress Group L.L.C. ("Cypress") and affiliates of CIVC Partners L.P. ("CIVC") acquired FGIC Corporation (the "FGIC Acquisition") from a subsidiary of General Electric Capital Corporation ("GE Capital").

PMI, Blackstone, Cypress and CIVC acquired approximately 42%, 23%, 23% and 7%, respectively, of FGIC Corporation's common stock. FGIC Corporation paid GE Capital approximately \$284.3 million in pre-closing dividends from the proceeds of dividends it, in turn, had received from Financial Guaranty, and GE Capital retained approximately \$234.6 million in liquidation preference of FGIC Corporation's convertible participating preferred stock and approximately 5% of FGIC Corporation's common stock. Neither FGIC Corporation nor any of its shareholders is obligated to pay any debts of Financial Guaranty or any claims under any insurance policy, including the Policy, issued by the Bond Insurer.

The Bond Insurer is subject to the insurance laws and regulations of the State of New York, where it is domiciled, including Article 69 of the New York Insurance Law ("Article 69"), a comprehensive financial guaranty insurance statute. The Bond Insurer is also subject to the insurance laws and regulations of all other jurisdictions in which it is licensed to transact insurance business. The insurance laws and regulations, as well as the level of supervisory authority that may be exercised by the various insurance regulators, vary by jurisdiction, but generally require insurance companies to maintain minimum standards of business conduct and solvency, to meet certain financial tests, to comply with requirements concerning permitted investments and the use of policy forms and premium rates and to file quarterly and annual financial statements on the basis of statutory accounting principles ("SAP") and other reports. In addition, Article 69, among other things, limits the business of each financial guaranty insurer, including the Bond Insurer, to financial guaranty insurance and certain related lines.

For the six months ended June 30, 2004, and the years ended December 31, 2003 and December 31, 2002, the Bond Insurer had written directly or assumed through reinsurance, guaranties of approximately \$27.1 billion, \$42.4 billion and \$47.9 billion par value of securities, respectively (of which approximately 60%, 79% and 81%, respectively, constituted guaranties of municipal bonds), for which it had collected gross premiums of approximately \$162.9 million, \$260.3 million and \$232.6 million, respectively. For the six months ended June 30, 2004, the Bond Insurer had reinsured, through facultative arrangements, approximately 0.1% of the risks it had written.

As of June 30, 2004, the Bond Insurer had net admitted assets of approximately \$2.935 billion, total liabilities of approximately \$1.793 billion, and total capital and policyholders' surplus of approximately \$1.142 billion, determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities.

The unaudited financial statements of the Bond Insurer as of June 30, 2004, and the audited financial statements of the Bond Insurer as of December 31, 2003 and December 31, 2002, which have been filed with the Nationally Recognized Municipal Securities Information Repositories ("NRMSIRs"), are hereby included by specific reference in this Official Statement. Any statement contained herein under the heading "BOND INSURANCE," or in any documents included by specific reference herein, shall be modified or superseded to the extent required by any statement in any document subsequently filed by the Bond Insurer with such NRMSIRs, and shall not be deemed, except as so modified or superseded, to constitute a part of this Official Statement. All financial statements of the Bond Insurer (if any) included in documents filed by the Bond Bank with the NRMSIRs subsequent to the date of this Official Statement and prior to the termination of the offering of the Bonds shall be deemed to be included by specific reference

into this Official Statement and to be a part hereof from the respective dates of filing of such documents.

The Bond Insurer also prepares quarterly and annual financial statements on the basis of generally accepted accounting principles. Copies of the Bond Insurer's most recent GAAP and SAP financial statements are available upon request to: Financial Guaranty Insurance Company, 125 Park Avenue, New York, NY 10017, Attention: Corporate Communications Department. Financial Guaranty's telephone number is (212) 312-3000.

The Bond Insurer's Credit Ratings

The financial strength of the Bond Insurer is rated "AAA" by Standard & Poor's, a Division of The McGraw-Hill Companies, Inc., "Aaa" by Moody's Investors Service, and "AAA" by Fitch Ratings. Each rating of the Bond Insurer should be evaluated independently. The ratings reflect the respective ratings agencies' current assessments of the insurance financial strength of the Bond Insurer. Any further explanation of any rating may be obtained only from the applicable rating agency. These ratings are not recommendations to buy, sell or hold the Bonds, and are subject to revision or withdrawal at any time by the rating agencies. Any downward revision or withdrawal of any of the above ratings may have an adverse effect on the market price of the Bonds. The Bond Insurer does not guarantee the market price or investment value of the Bonds nor does it guarantee that the ratings on the Bonds will not be revised or withdrawn.

Neither the Bond Insurer nor any of its affiliates accepts any responsibility for the accuracy or completeness of the Official Statement or any information or disclosure that is provided to potential purchasers of the Bonds, or omitted from such disclosure, other than with respect to the accuracy of information with respect to the Bond Insurer or the Policy under the heading "BOND INSURANCE." In addition, the Bond Insurer makes no representation regarding the Bonds or the advisability of investing in the Bonds.

THE PROGRAM

General

Age discrimination laws, the rapid growth of many school corporations and market-driven increases in teachers salaries have caused significant increases with respect to the existing unfunded contractual retirement or severance liability of school corporations in the State. The contractual retirement or severance liability of a school corporation means the payments anticipated to be required to be made to employees of the school corporation upon or after the termination of their employment by the school corporation under an existing or previous employment agreement.

As a solution to this problem, the General Assembly enacted and subsequently amended Indiana Code 20-5-4-1.7, legislation authorizing school corporations to issue general obligation bonds to implement solutions to contractual retirement or severance liability. These bonds are payable out of unlimited ad valorem taxes to be collected on the taxable property within the boundaries of the school corporation. The school corporation's authority to issue such bonds is subject to the following limitations: (i) the school corporation may issue such bonds only one

time and the bonds have to be issued before December 31, 2004; (ii) the solution to which the bonds are contributing must be reasonably expected to reduce the school corporation's existing unfunded contractual liability for retirement or severance payments, as of June 30, 2001; (iii) the amount of bonds that may be issued for the purpose described above may not exceed two percent of the true tax value of property in the school corporation; and (iv) each year that a debt service levy is needed to satisfy the payment obligations on the bonds, the school corporation will reduce its total property tax levy for the school corporation's transportation, capital projects, or art association and historical society funds in an amount equal to the property tax levy needed for debt service.

In order to facilitate the implementation of solutions to the contractual retirement or severance liability by the school corporations, the Bond Bank has established the Program, pursuant to which it will issue its bonds, including the Bonds, and use the proceeds to purchase pools of bonds issued by school corporations, including the Qualified Obligations.

Program Participation and Borrowing Limits

To be considered for participation in the Program, a Qualified Entity submits an application to the Bond Bank. Application information and data supplied by each Qualified Entity seeking to participate in the Program included among other things the following: the unaudited receipts and disbursements for calendar year 2003; the anticipated receipts and disbursements for calendar year 2004; a list of the ten largest taxpayers; tax collection history; historical and projected budget and levy information; and general economic and demographic information and data.

Upon receipt of applications for participation in the Program, each applying Qualified Entity is analyzed to determine, consistent with the purposes of the Bond Bank, whether such Qualified Entity would be recommended to participate in the Program. Such analysis consists of an internal financial review undertaken by the Bond Bank with the assistance of Crowe Chizek and Company LLC, as financial advisor to the Bond Bank. The Qualified Entities described in Appendix A have applied for participation in the Program, have been analyzed by the Bond Bank and its financial advisor and have been approved for participation in the Program by the Board of Directors of the Bond Bank.

The amount which a Qualified Entity may borrow from the Bond Bank under the Program is approved by the Department of Local Government Finance. Based on documentation and estimates supplied by such Qualified Entity at or prior to the time of the issuance of the Bonds, the Bond Bank's financial advisor has performed certain computations to verify that such amount does not exceed two percent of the true tax value of property within the boundaries of the Qualified Entity.

Each Qualified Entity is required to represent and warrant certain matters to the Bond Bank in order to be eligible to participate in the Program. See "FORM OF QUALIFIED ENTITY PURCHASE AGREEMENT" in Appendix E.

Refunding Bonds

The Bond Bank may issue Refunding Bonds ("Refunding Bonds") to refund all or any part of the Bonds outstanding. Refunding Bonds will be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make such deposits required by the provisions of the Act, the Indenture and any Supplemental Indenture authorizing the issuance of the Refunding Bonds.

Additional Borrowings

Concurrently with the issuance of the Bonds, the Bond Bank intends to issue its Taxable School Severance Funding Bonds Series 7 B in the aggregate principal amount of \$12,885,000 (the "Series 7 B Bonds"). The Series 7 B Bonds and the Bonds will be separately secured. The Series 7 B Bonds and the security therefor are described in an official statement of the Bond Bank, copies of which are available from the Bond Bank upon request. The Bond Bank expects to issue at least one more series of Taxable School Severance Funding Bonds before the end of 2004, which bonds will be separately secured from the Bonds.

RISK FACTORS

Purchasers of the Bonds are advised of certain risk factors with respect to the delivery and payment of the Qualified Obligations by the Qualified Entities, and delivery and payment of the Bonds. This discussion is not intended to be all-inclusive, and other risks may also be present.

The ability of the Bond Bank to pay principal of, and interest on, the Bonds depends upon the receipt by the Bond Bank of payments pursuant to the Qualified Obligations, including interest at the rates provided therein, from all Qualified Entities participating in the Program which are obligated to make such payments to the Bond Bank, together with earnings on the amounts in the Funds and Accounts sufficient to make such payments. The Bond Bank will not maintain a debt service reserve for the Bonds and the provisions of Indiana Code 5-1.5-5 do not apply to the Bonds. Indiana Code 5-1.5-5 pertains to the requirement that, if there is a deficiency in a debt service reserve fund securing obligations of the Bond Bank, the Chairman of the Bond Bank must certify the amount of such a deficiency to the Indiana General Assembly for its consideration on whether to appropriate funds to restore the debt service reserve fund to its requirement.

There is no source of funds available to make up for any deficiencies in the event of one or more defaults by one or more Qualified Entities in such payments on the Qualified Obligations. There can be no representation or assurance that all of the Qualified Entities participating in the Program will receive sufficient taxes or other revenues or otherwise have sufficient funds available to make their required payments on the Qualified Obligations. The Qualified Entities are required by law to levy a tax sufficient to pay debt service on their respective Qualified Obligations, although the receipt of such revenues by any Qualified Entity is subject to, among other things, future economic conditions, actions by creditors, delays in tax collections as a result of reassessment and other conditions which are variable and not certain of prediction. For a description of procedures for providing for the payment of Qualified Obligations, see the captions "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

— Provisions for Payment of the Qualified Obligations,” “— Procedures for Property Assessment, Tax Levy and Collection” and “THE PROGRAM.”

The remedies available to the Trustee, to the Bond Bank or to the owners of the Bonds upon the occurrence of an Event of Default under the Indenture or under the terms of any of the Qualified Obligations purchased by the Bond Bank and the related Purchase Agreement are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the United States Bankruptcy Code), the remedies provided in the Indenture and under the Purchase Agreements and the Qualified Obligations may not be readily available or may be limited.

THE BONDS

General Description

The Bonds are issuable under the Indenture as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. Each Bond will be dated the date of delivery and will bear interest from the most recent Interest Payment Date on which interest was paid prior to the date of authentication of such Bond, unless the Bond is authenticated on or before June 30, 2005, in which case interest will be paid on the original date of the Bond, or unless the Bond is authenticated after a Record Date but on or before the related Interest Payment Date, in which case interest will be paid from the related Interest Payment Date.

The Bonds will be issued in the aggregate principal amount of \$107,675,000, and will mature and bear interest as set forth on the inside cover page of this Official Statement.

For so long as the Bonds are registered in the name of The Depository Trust Company (“DTC”) or its nominee, payments of the principal of, premium, if any, and interest on the Bonds will be paid only to DTC or its nominee. Interest on the Bonds will be paid on each Interest Payment Date by wire transfer to DTC or its nominee. Principal will be paid to DTC or its nominee upon presentation and surrender of the Bonds at the principal office of the Trustee. Neither the Bond Bank nor the Trustee will have any responsibility for the Beneficial Owner’s receipt from DTC or its nominee, or from any DTC Direct Participant or Indirect Participant, of any payments of principal or interest on the Bonds. See “THE BONDS – Book-Entry-Only System.”

If the Bonds are no longer registered in the name of DTC or its nominee, or any other clearing agency, interest on the Bonds will be payable semiannually on January 15 and July 15 of each year, commencing on the first Interest Payment Date after the Bonds are no longer so registered by check issued by the Paying Agent dated the due date and mailed one Business Day prior to each Interest Payment Date to the registered Owners as of the close of business on the most recent Record Date or by wire transfer to Owners of \$1,000,000 or more in principal amount of the Bonds upon written request of such owners. Principal will be payable on the maturity date of such Bond upon presentation of the Bond at the principal corporate trust office of the Trustee.

Optional Redemption

The Bonds maturing on and after January 15, 2015 are subject to optional redemption prior to maturity on and after July 15, 2014 at par.

Mandatory Redemption

The Bonds maturing on January 15, 2025 are subject to mandatory sinking fund redemption prior to maturity at a price equal to the principal amount thereof, but without premium, plus accrued interest to the redemption date, on the dates indicated below:

<u>Date</u>	<u>Principal Amount</u>
July 15, 2020	\$910,000
January 15, 2021	935,000
July 15, 2021	965,000
January 15, 2022	990,000
July 15, 2022	1,010,000
January 15, 2023	1,045,000
July 15, 2023	1,080,000
January 15, 2024	1,105,000
July 15, 2024	1,140,000
January 15, 2025 [†]	1,155,000

[†] Final Maturity.

The Bonds maturing on January 15, 2030 are subject to mandatory sinking fund redemption prior to maturity at a price equal to the principal amount thereof, but without premium, plus accrued interest to the redemption date, on the dates indicated below:

<u>Date</u>	<u>Principal Amount</u>
July 15, 2025	\$10,000
January 15, 2026	15,000
July 15, 2026	15,000
January 15, 2027	15,000
July 15, 2027	15,000
January 15, 2028	15,000
July 15, 2028	15,000
January 15, 2029	15,000
July 15, 2029	15,000
January 15, 2030 [†]	15,000

[†] Final Maturity.

The Trustee is required to credit against the mandatory sinking fund requirement for the Bond maturing on January 15, 2025 and on January 15, 2030 all as set forth above, any Bonds of such maturity delivered to the Trustee for cancellation or purchased for cancellation by the Trustee and canceled by the Trustee and not theretofore applied as a credit against any redemption obligation. Each Bond of such maturity so delivered or canceled will be credited by the Trustee at one hundred percent (100%) of the principal amount thereof against the mandatory sinking fund obligation on such mandatory redemption date. Any amount in excess of such amount will be credited to future redemption obligations, and the principal amount of such Bonds of such maturity to be redeemed by operation of the mandatory sinking fund requirements will be accordingly reduced; provided, however, the Trustee will credit such Bond only to the extent they are received on or before 45 days preceding the applicable mandatory redemption date as set forth above.

Notice of Redemption

Notice of any redemption, identifying the Bonds to be redeemed, will be given by the Trustee at least 30 days but not more than 45 days prior to the Redemption Date by mailing a copy of the redemption notice by registered or certified mail to the registered Owner of each Bond to be redeemed at the address shown on the Bond Register.

For so long as the Bonds are registered in the name of DTC or its nominee, the Trustee will send notices of redemption of Bonds only to DTC or its nominee, in accordance with the preceding paragraph. Neither the Bond Bank nor the Trustee will have any responsibility for any Beneficial Owner's receipt from DTC or its nominee, or from any DTC Direct Participant or Indirect Participant, of any notices of redemption. See "THE BONDS – Book-Entry-Only System."

Redemption Payments

Prior to the date fixed for redemption, there must be on deposit with the Trustee sufficient funds to pay the redemption price of the Bonds subject to redemption, together with the accrued interest on the Bonds to the redemption date. After the redemption date, if sufficient funds have been deposited with the Trustee, interest will cease to accrue on the Bonds that have been called for redemption.

For so long as the Bonds are registered in the name of DTC or its nominee, redemption payments on the Bonds will be paid by the Trustee only to DTC or its nominee, in accordance with the preceding paragraph. Neither the Bond Bank nor the Trustee will have any responsibility for any Beneficial Owner's receipt from DTC or its nominee, or from any DTC Direct Participant or Indirect Participant, of any redemption payments on any Bonds. See "THE BONDS – Book-Entry-Only System."

Selection of Bonds for Redemption

If fewer than all of the Bonds are to be redeemed, the Bonds will be redeemed only in whole multiples of \$5,000. For purposes of redemption, each \$5,000 of principal will be considered as a Bond. If fewer than all of the Bonds will be called for redemption, the principal amount and maturity of the particular Bonds to be redeemed will be selected by the Bond Bank.

The Trustee will select the particular Bonds to be redeemed by lot within a maturity in such manner as the Trustee may determine.

For so long as the Bonds are registered in the name of DTC or its nominee, the Trustee will select for redemption only Bonds or portions thereof registered in the name of DTC or its nominee, in accordance with the preceding paragraph. Neither the Bond Bank nor the Trustee will have any responsibility for selecting for redemption any Beneficial Owner's interests in the Bonds. See "THE BONDS – Book-Entry-Only System."

Exchange and Transfer

The Bonds may be transferred or exchanged at the principal corporate trust office of the Trustee, to the extent and upon the conditions set forth in the Indenture, including the payment of a sum sufficient to cover any tax or other governmental charge for any such transfer or exchange that may be imposed upon the Bond Bank or the Trustee.

If any Bond is mutilated, lost, stolen or destroyed, the Bond Bank may issue and the Trustee may authenticate a new Bond in accordance with the provisions therefor in the Indenture including an indemnity satisfactory to both, and the Bond Bank and the Trustee may charge the holder or Owner of such Bonds for its reasonable fees and expenses in connection therewith, including the cost of having a replacement Bond printed.

For so long as the Bonds are registered in the name of DTC or its nominee, the Trustee will transfer and exchange Bonds only on behalf of DTC or its nominee, in accordance with the preceding paragraph. Neither the Bond Bank, nor the Trustee will have any responsibility for transferring or exchanging any Beneficial Owner's interests in the Bonds. See "THE BONDS – Book-Entry-Only System."

Book-Entry-Only System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates.

Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of the Depository Trust and Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, GSCC, MBSCC and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange, LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Direct and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at **www.dtcc.com**.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct or Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices will be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Bond Bank as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Bond Bank or the Trustee on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Bond Bank, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Bond Bank or the Trustee, disbursements of such payments to Direct Participants will be the responsibility of DTC, and disbursements of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Bond Bank or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bonds are required to be printed and delivered.

The Bond Bank may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depositor). In that event, Bonds will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Bond Bank believes to be reliable, but the Bond Bank takes no responsibility for the accuracy thereof.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds related to acquiring the Qualified Obligations and paying costs incidental to the sale and delivery of the Bonds are estimated as shown below:

Sources of Funds:

Principal Amount of Bonds	\$107,675,000
TOTAL SOURCES	<u>\$107,675,000</u>

Uses of Funds:

Acquisition of Qualified Obligations	\$106,140,000
Costs of Issuance ⁽¹⁾	<u>1,515,000</u>
TOTAL USES	<u>\$107,675,000</u>

⁽¹⁾ Includes Underwriters' discount and the premium for the municipal bond insurance policy.

THE INDIANA BOND BANK

The Bond Bank was created in 1984, and is organized and existing under and by virtue of the Act as a separate body corporate and politic, constituting an instrumentality of the State for the public purposes set forth in the Act. The Bond Bank is not an agency of the State, but is separate from the State in its corporate and sovereign capacity and has no taxing power.

Powers Under the Act

Under the Act, the Bond Bank has a perpetual existence and is granted all powers necessary, convenient or appropriate to carry out its public and corporate purposes including, without limitation, the power to do the following:

1. Make, enter into and enforce all contracts necessary, convenient or desirable for the purposes of the Bond Bank or pertaining to a loan to or a lease or an agreement with a qualified entity, a purchase, acquisition or a sale of qualified obligations or other investments or the performance of its duties and execution of its powers under the Act;
2. Purchase, acquire or hold qualified obligations or other investments for the Bond Bank's own account or for a qualified entity at such prices and in a manner as the Bond Bank considers advisable, and sell or otherwise dispose of the qualified obligations or investments at prices without relation to cost and in a manner the Bond Bank considers advisable;
3. Fix and establish terms and provisions upon which a purchase or loan will be made by the Bond Bank;
4. Prescribe the form of application or procedure required of a qualified entity for a purchase or loan and enter into agreements with qualified entities with respect to each purchase or loan;

5. Render and charge for services to a qualified entity in connection with a public or private sale of any qualified obligation, including advisory and other services;
6. Charge a qualified entity for costs and services in review or consideration of a proposed purchase, regardless of whether a qualified obligation is purchased, and fix, revise from time to time, charge and collect other program expenses properly attributable to qualified entities;
7. To the extent permitted by the indenture or other agreements with the owners of bonds or notes of the Bond Bank, consent to modification of the rate of interest, time and payment of installments of principal or interest, security or any other term of a bond, note, contract or agreement of any kind to which the Bond Bank is a party;
8. Appoint and employ general or special counsel, accountants, financial advisors or experts, and all such other or different officers, agents and employees as it requires;
9. In connection with any purchase, consider the need for and desirability or eligibility of the qualified obligation to be purchased, the ability of the qualified entity to secure financing from other sources, the costs of such financing and the particular public improvement or purpose to be financed or refinanced with the proceeds of the qualified obligation to be purchased by the Bond Bank;
10. Temporarily invest moneys available until used for making purchases, in accordance with the indenture or any other instrument authorizing the issuance of bonds or notes; and
11. Issue bonds or notes of the Bond Bank in accordance with the Act bearing fixed or variable rates of interest in aggregate principal amounts considered necessary by the Bond Bank to provide funds for any purposes under the Act; provided, that the total amount of bonds or notes of the Bond Bank outstanding at any one time may not exceed any aggregate limit imposed by the Act, currently fixed at \$1,000,000,000. Such aggregate limit of \$1,000,000,000 does not apply to (i) bonds or notes issued to fund or refund bonds or notes of the Bond Bank; (ii) bonds or notes issued for the purpose of purchasing an agreement executed by a qualified entity under Indiana Code 21-1-5; (iii) bonds, notes, or other obligations not secured by a reserve fund under Indiana Code 5-1.5-5; and (iv) bonds, notes, or other obligations if funds and investments, and the anticipated earned interest on those funds and investments, are irrevocably set aside in amounts sufficient to pay the principal, interest, and premium on the bonds, notes, or obligations at their respective maturities or on the date or dates fixed for redemption.

Under the Act, the Bond Bank may not do any of the following:

1. Lend money other than to a qualified entity;
2. Purchase a security other than a qualified obligation to which a qualified entity is a party as issuer, borrower or lessee, or make investments other than as permitted by the Act;
3. Deal in securities within the meaning of or subject to any securities law, securities exchange law or securities dealers law of the United States, the State or any other state or jurisdiction, domestic or foreign, except as authorized by the Act;
4. Emit bills of credit or accept deposits of money for time or demand deposit, administer trusts or engage in any form or manner, or in the conduct of, any private or commercial banking business or act as a savings bank, savings and loan association or any other kind of financial institution; or
5. Engage in any form of private or commercial banking business.

Organization and Membership of the Bond Bank

The membership of the Board of Directors of the Bond Bank (the “Board”) consists of seven Directors: the Treasurer of State, serving as Chairman Ex Officio, the Director of the State Department of Financial Institutions, appointed by the Governor and serving as Director Ex Officio, and five Directors appointed by the Governor of the State. Each of the five Directors appointed by the Governor must be a resident of the State and must have substantial expertise in the buying, selling and trading of municipal securities or in municipal administration or public facilities management. Each such Director will serve for a three-year term as set forth below. Upon expiration of such term, a Director will continue to serve until a successor is appointed and qualified. Each such Director is also eligible for reappointment and may be removed for cause by the Governor. Any vacancy on the Board is filled by appointment of the Governor for the unexpired term only.

The Board elects one Director to serve as Vice Chairman. The Board also appoints and fixes the duties and compensation of an Executive Director, who serves as both secretary and treasurer. The powers of the Bond Bank are vested in the Board of Directors, any four of whom constitute a quorum. Action may be taken at any meeting of the Board by the affirmative vote of at least four Directors. A vacancy on the Board does not impair the right of a quorum to exercise the powers and perform the duties of the Board.

Directors

The following persons, including those persons with the particular types of experience required by the Act, comprise the present Board:

Tim Berry, Treasurer of the State of Indiana, February 10, 1999 to present and Chairman Ex Officio. Residence: Indianapolis, Indiana. Member, Indiana State Board of Finance; Vice-Chairman, Indiana Housing Finance Authority; Secretary-Investment Manager, Indiana Board

for Depositories; Member, Governing Board of the Indiana Department of Revenue; Treasurer, Indiana State Office Building Commission; Treasurer, Indiana Recreational Development Commission; Trustee, Indiana State Police Pension Fund; Board Member, Indiana Transportation Finance Authority; Allen County, Indiana Treasurer 1990 to February, 1999.

Charles W. Phillips, Director of the Indiana Department of Financial Institutions, 1989 to present, and Director Ex Officio, serving at the pleasure of the Governor. Residence: New Albany, Indiana. Director Ex Officio, Indiana Housing Finance Authority; President, Floyd County Bank, New Albany, Indiana, 1962 to 1985; Former Examiner, Federal Deposit Insurance Corporation.

Clark H. Byrum, Vice Chairman; term expired July 1, 2003. Residence: Indianapolis, Indiana. Chairman of the Board and President, The Key Corporation, Indianapolis, Indiana, 1977 to present; Chairman of the Board, American State Bank of Lawrenceburg, Aurora and Greendale, Indiana, 1990 to present; Board Member, NCB Corporation and Norcen Bank, 1986 to present; Member, American Bankers Association; Member, Indiana Bankers Association; Member, National Association of Life Underwriters.

C. Kurt Zorn, Director; term expired July 1, 2003. Residence: Bloomington, Indiana. Professor of Public and Environmental Affairs, Indiana University, 1994 to present; Chairman, State Board of Tax Commissioners, January 1991 to August 1994; Associate Professor, School of Public and Environmental Affairs, Indiana University, 1987 to 1994 (on leave 1989 to 1992); Member, American Economic Association; Member, National Tax Association; Member, Governmental Finance Officers Association.

Russell Breeden, III, Director; term expired July 1, 2003. Residence: Indianapolis, Indiana. Chairman of the Board and CEO, Community First Financial Group, Inc., 1993 to 2002. Director, English State Bank, 1993 to present; Chairman, Peoples Trust Bank Company, 1994 to present; Chairman, Peninsula Banking Group, 1995 to present; Chairman, Bay Cities National Bank, 1995 to present; Director and President, Bettenhausen Motorsports, Inc., 1988 to present.

Marni McKinney; Director, term expired July 1, 2004. Residence: Indianapolis, Indiana. Vice President, 1984 to 1999 and Chairman of the Board, 1999 to present, First Indiana Bank; President and CEO, The Somerset Group, 1995 to 2000; Vice Chairman and Chief Executive Officer, First Indiana Corporation, 1999 to present; Board of Directors, The Children's Museum and Community Hospitals of Indiana, Inc.; Investment Committee Member, The Indianapolis Foundation.

Morris H. Mills, Director, term expired July 1, 2003. Residence: Ladoga, Indiana. Partner, Mills Bros. Farms; Member, Indiana State Senate, 1972 to 2000; Member, Indiana State House of Representatives, 1968 to 1972; Director and Officer, Maplehurst Group, 1954 to 1996.

Although the expiration date of the terms of five Directors has passed, the Act provides that their terms will not expire until their successors are appointed and qualified. No such successors have been appointed and qualified.

The Board is authorized to appoint and fix the duties and compensation of an Executive Director, who serves as both secretary and treasurer of the Board. Dan Huge was appointed

Executive Director of the Indiana Bond Bank on October 9, 2001. Mr. Huge previously served as the Deputy Director of The Indianapolis Local Public Improvement Bond Bank for over three years. Mr. Huge has over 19 years of corporate accounting and managerial experience. He is a Certified Public Accountant and holds a B.S. from Purdue University.

OPERATION OF FUNDS AND ACCOUNTS

The Indenture creates and establishes a General Fund which will be held by the Trustee and will consist of the following accounts:

1. General Account
2. Redemption Account
3. Bond Issuance Expense Account

General Account

The Trustee will deposit \$106,160,000 from Bond proceeds in the General Account of the General Fund, \$106,140,000 of which will be used to purchase the Qualified Obligations. The remainder of the proceeds deposited in the General Account will be used to pay a portion of the interest due on July 15, 2005. The Trustee will also deposit in the General Account all Revenues and all income or gain on Investment Securities attributable to any fund or account.

Moneys in the General Account of the General Fund will be disbursed as follows: (i) on the date of delivery of the Bonds, to purchase Qualified Obligations as set forth in the Indenture, upon the submission of requisitions of the Bond Bank signed by an Authorized Officer stating that all requirements for the purchase of the Qualified Obligations have been or will be satisfied; (ii) not later than 10:00 a.m., Indianapolis time, one (1) Business Day prior to each Interest Payment Date, to the Trustee such amounts as may be necessary to pay interest due to be paid on Outstanding Bonds on such Interest Payment Date; and (iii) not later than 10:00 a.m., Indianapolis time, one (1) Business Day prior to each Interest Payment Date, to the Trustee such amounts as may be necessary, if any, to pay principal due to be paid on Outstanding Bonds on such Interest Payment Date.

Redemption Account

There will be deposited in the Redemption Account all moneys received upon the sale or optional or mandatory redemption (prior to maturity) of Qualified Obligations and all other moneys required to be deposited therein pursuant to the Indenture. Moneys in the Redemption Account will be distributed as follows: (i) on the fifteenth day of each month, to the General Account, an amount equal to the principal which would have been payable during the following month if such Qualified Obligations had not been sold or redeemed prior to maturity, (ii) on the second Business Day prior to any Interest Payment Date, if amounts in the General Account are not sufficient to make the payments of principal and interest required to be made on such date, to the General Account amounts in the Redemption Account available for such transfer and not otherwise committed under the Indenture to the redemption of Bonds for which notice of redemption has been given; and (ii) after provision has been made for the payments required under (i) and (ii) above to (a) redeem Bonds of such maturity or maturities as may be directed by an Authorized Officer if such Bonds are then subject to redemption or (b) purchase Bonds of

such maturity or maturities as directed by an Authorized Officer at the most advantageous price obtainable with reasonable diligence, whether or not such Bonds will then be subject to redemption. Such price may not, however, exceed the redemption price which would be payable on the next ensuing redemption date on which the Bonds so purchased are redeemable according to their terms. The Trustee will pay the interest accrued on any Bonds so purchased to the date of delivery thereof from the General Account and the balance of the purchase price from the Redemption Account, but no such purchase will be made by the Trustee within the period of forty-five (45) days next preceding an Interest Payment Date or a date on which such Bonds are subject to redemption.

At the direction of the Bond Bank, the Trustee may transfer any amounts in the Redemption Account to the General Account of the General Fund provided that the Trustee is provided with a Cash Flow Certificate taking into account such transfer.

Bond Issuance Expense Account

The Trustee will deposit \$439,326.75 of the proceeds of the Bonds in the Bond Issuance Expense Account for the purpose of paying the costs associated with issuing the Bonds. Moneys in the Bond Issuance Expense Account will be disbursed to pay Costs of Issuance of the Bonds or to reimburse the Bond Bank for amounts previously advanced for such costs, upon the Trustee's receipt of acceptable invoices or requisitions. All funds in the Bond Issuance Expense Account which are not expended for Costs of Issuance prior to January 1, 2005 will be transferred to the General Account of the General Fund.

Amounts Remaining in Funds

Any amounts remaining in any Fund or Account after full payment of all of the Bonds outstanding under the Indenture and the fees, charges and expenses of the Trustee will be distributed to the Bond Bank, unless otherwise provided for in the Indenture.

Investment of Funds

Moneys held as a part of any Fund or Account under the Indenture will be invested and reinvested at all times as fully as reasonably possible by the Trustee in investments defined to be Investment Securities under the Indenture and in accordance with the provisions of the Act and the terms and conditions of the Indenture.

The Bond Bank will direct the Trustee (with such direction to be confirmed in writing) in the investment of such moneys. The Bond Bank will so direct the Trustee, and the Bond Bank and the Trustee will make all such investments of moneys under the Indenture, in accordance with prudent investment standards reasonably expected to produce the greatest investment yields while seeking to preserve principal. The Bond Bank may direct the Trustee to invest all moneys held in the General Account relating to the Bonds pursuant to the provisions of an investment agreement (the "Investment Agreement").

All investments will be a part of the Fund or Account from which moneys were used to acquire such investments, and all income and profits on such investments will be deposited as received in the General Account. Any investment income, gains or losses will be charged to the

Fund or Account from which moneys were employed to invest in the Investment Security, and the Trustee will not be liable for any investment losses so long as the Trustee complies with the provisions of the Indenture. Moneys in any Fund or Account will be invested in Investment Securities with maturity dates (or redemption dates determinable at the option of the owner of such Investment Securities) coinciding as nearly as practicable with the times at which moneys in such Funds or Accounts will be required for transfer or disbursement under the Indenture. The Trustee will sell and reduce to cash at the best price reasonably obtainable sufficient amounts of such Investment Securities in the respective Fund or Account as may be necessary to make up a deficiency in any amounts contemplated to be disbursed from such Fund or Account.

THE BONDS AS LEGAL INVESTMENTS

Under the Act, all financial institutions, investment companies, insurance companies, insurance associations, executors, administrators, guardians, trustees and other fiduciaries in the State may legally invest sinking funds, money or other funds belonging to or within the control of such fiduciaries in the bonds and Bonds of the Bond Bank issued under the Act.

LITIGATION

Bond Bank

There is not now pending or, to the Bond Bank's knowledge, threatened any litigation (1) restraining or enjoining the issuance, sale, execution or delivery of the Bonds, (2) prohibiting the Bond Bank from purchasing the Qualified Obligations with the proceeds of such Bonds, (3) in any way contesting or affecting the validity of the Bonds or (4) restraining or enjoining any proceedings of the Bond Bank taken with respect to the issuance or sale thereof or the pledge or application of any moneys or security provided for the payment of the Bonds. Neither the creation, organization or existence of the Bond Bank nor the title of any of the present Directors or other officers of the Bond Bank to their respective offices is being contested.

Qualified Entities

Upon the issuance of the Qualified Obligations, the Bond Bank will receive a certification from each Qualified Entity described in Appendix A to the effect that (i) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, pending or threatened against such Qualified Entity, wherein an unfavorable decision, ruling or finding would in any material respect adversely affect the transactions contemplated by such Qualified Entity's Purchase Agreement and (ii) the information provided to the Bond Bank by such Qualified Entity in connection with its participation in the Program did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

TAX MATTERS

Interest on the Bonds is **not** excludable from gross income for federal income tax purposes. In the opinion of Ice Miller, Bond Counsel, under law existing and in effect on the date of such opinion, interest on the Bonds is exempt from income taxation in the State of Indiana.

The foregoing does not purport to be a comprehensive discussion of the tax consequences of owning the Bonds. Prospective owners of the Bonds should consult their own tax advisors with respect to the foregoing and other tax consequences of owning the Bonds.

LEGAL MATTERS

Certain legal matters incident to the authorization and issuance of the Bonds by the Bond Bank are subject to the approval of Ice Miller, Indianapolis, Indiana, Bond Counsel, whose approving opinion will be delivered with the Bonds. Certain legal matters will be passed upon for the Bond Bank by its counsel, Barnes & Thornburg LLP, Indianapolis, Indiana. Certain legal matters will be passed upon for the Underwriters by their counsel, Mayer, Brown, Rowe & Maw LLP, Chicago, Illinois.

Ice Miller, Indianapolis, Indiana, serves as counsel to the Qualified Entities (with the exception of the Jay County School Corporation, Medora Community School Corporation, North White School Corporation, Northern Wells Community Schools, Richland Bean Blossom Community School Corporation, Scott County School District 1, and Southwest School Corporation) in connection with the issuance and sale of the Qualified Obligations and will be passing on certain legal matters in connection therewith. Bose McKinney & Evans LLP, Indianapolis, Indiana, serves as counsel to the Medora Community School Corporation, North White School Corporation, Northern Wells Community Schools, Richland Bean Blossom Community School Corporation and Scott County School District 1, and Sommer Barnard Attorneys, PC, Indianapolis, Indiana, serves as counsel to the Jay County School Corporation and Southwest School Corporation in connection with the issuance and sale of their respective Qualified Obligations and will be passing on certain legal matters in connection therewith.

The remedies available to the Trustee, to the Bond Bank or to the owners of the Bonds upon an Event of Default under the Indenture, under the terms of any of the Qualified Obligations purchased by the Bond Bank, under the terms of any Purchase Agreement are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the United States Bankruptcy Code), the remedies provided in the Indenture and under the Qualified Obligations or the Purchase Agreements may not be readily available or may be limited. Under Federal and State environmental laws, certain liens may be imposed on property of the Bond Bank or the Qualified Entities from time to time, but the Bond Bank has no reason to believe, under existing law, that any such lien would have priority over the lien on the payments on the Qualified Obligations pledged to owners of the Bonds under the Indenture or over the lien on the property taxes pledged to the owner of the Qualified Obligations under their respective resolutions. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally (regardless of whether such enforceability is considered in a proceeding in equity or in law), by general principles of equity (regardless of whether such proceeding is considered in a proceeding in equity or at law) and by the valid exercise of the constitutional powers of the Qualified Entities, the State and the United States of America. These exceptions would encompass any exercise of any of the Qualified Entity's police powers in a manner consistent with the public health and welfare. Enforceability of the

Indenture, the Qualified Obligations or the Purchase Agreements in situations where such enforcement may adversely affect public health and welfare may be subject to the police powers of the State or any of the Qualified Entities.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

RATINGS

Standard & Poor's Ratings Services ("S&P") has assigned a rating of "AA-" to the Bonds if they are issued without bond insurance and a rating of "AAA" if they are issued with bond insurance. This rating reflects only the view of S&P. Such rating is not a recommendation to buy, sell or hold the Bonds. There is no assurance that such rating will remain in effect for any given period of time or that such rating will not be lowered or withdrawn entirely by S&P if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect upon the market price or marketability of the Bonds.

UNDERWRITING

Under a bond purchase contract entered into between the Underwriters listed on the cover page of this Official Statement and the Bond Bank, the Bonds are being purchased by the Underwriters for reoffering at an aggregate purchase price of \$106,867,940.20. The purchase price reflects an aggregate Underwriters' discount of \$807,059.80. The bond purchase contract provides that the Underwriters will purchase all of the Bonds if any are purchased. The obligations of the Bond Bank to deliver the Bonds and of the Underwriters to accept delivery of the Bonds are subject to various conditions contained in the bond purchase contract.

The Underwriters have agreed to make an initial public offering of all of the Bonds at yields not less than the yields set forth on the cover page of this Official Statement.

CONTINUING DISCLOSURE

General

Pursuant to the terms of the Indiana Bond Bank Continuing Disclosure Agreement, the Bond Bank, while the Bonds are outstanding (unless the Bonds are defeased), has agreed to provide to each nationally recognized municipal securities information repository ("NRMSIR"), or to the Municipal Securities Rulemaking Board, and to the Indiana State Information Depository then in existence, if any (the "State Depository"), the following event notices with respect to the Bonds, if material, and in a timely manner:

- 1) principal and interest payment delinquencies;
- 2) non-payment related defaults;
- 3) unscheduled draws on debt service reserves reflecting financial difficulties;

- 4) unscheduled draws on credit enhancements reflecting financial difficulties;
- 5) substitution of credit or liquidity providers, or their failure to perform;
- 6) adverse tax opinions or events affecting the tax-exempt status of the security;
- 7) modifications to rights of security holders;
- 8) bond calls;
- 9) defeasances;
- 10) release, substitution or sale of property securing repayment of the securities; and
- 11) rating changes.

Each Qualified Entity, while the Bonds are outstanding or until its Qualified Obligations are legally defeased, redeemed or paid in full, has agreed to provide to the Bond Bank the preceding event notices with respect to its Qualified Obligations if material, and in a timely manner. The disclosure obligations of the Bond Bank and each of the Qualified Entities are referenced as the “Undertakings.”

Remedy

The purpose of the Undertakings is to enable the Underwriters to purchase the Bonds in satisfaction of Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Rule”). The Undertakings are solely for the benefit of the holders and Beneficial Owners of the Bonds. The sole remedy against the Bond Bank or any Qualified Entity for any failure to carry out any provision of the Undertakings will be for specific performance of the Bond Bank’s or such Qualified Entity’s disclosure obligations under the Undertakings. The Trustee may (and, at the request of the holders of at least 25% in aggregate principal amount of Outstanding Bonds, will), or any holder or Beneficial Owner of the Bonds, may seek a mandate or specific performance by court order, to cause the Bond Bank or Qualified Entity to comply with its obligations under the Undertakings. For the purposes of this section only, “Beneficial Owner” means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding any Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Bond for federal income tax purposes.

Failure on the part of the Bond Bank or any Qualified Entity to honor its Undertaking will not constitute a breach or default under the Bonds, the Indenture, the Qualified Obligations or any other agreement to which the Bond Bank or the Qualified Entity is a party.

Modification of Undertakings

The Bond Bank, the Trustee and any Qualified Entity may, from time to time, amend any provision of the Undertakings without the consent of the holders or Beneficial Owners of the Bonds if: (a) such amendment (if related to certain provisions of the Undertakings) is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Bond Bank or any Qualified Entity or type of business conducted, (b) the respective Undertaking, as so amended, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule on the date of execution thereof, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (c) such amendment either (i) is approved

by the holders of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of holders or (ii) in the opinion of nationally recognized bond counsel, does not materially impair the interests of the holders or Beneficial Owners of the Bonds.

Copies of the Undertakings are available from the Bond Bank upon request.

Compliance with Previous Undertakings

In the previous five years, the Bond Bank and each of the Qualified Entities have never failed to comply, in all material respects, with any previous undertakings in a written contract or agreement that any of them entered into pursuant to subsection (b)(5) of the Rule.

MISCELLANEOUS

The Bond Bank's offices are located at 2980 Market Tower, 10 West Market Street, Indianapolis, Indiana 46204, telephone (317) 233-0888.

All quotations from, and summaries and explanations of, the Act, the Indenture, and the Purchase Agreements contained in this Official Statement do not purport to be complete and reference is made to each such document or instrument for full and complete statements of its provisions. The attached Appendices are an integral part of this Official Statement and must be read together with all of the foregoing statements. Copies in a reasonable quantity of the Act, the Indenture, the form of Purchase Agreement, and the supplemental materials furnished to the Bond Bank by the Qualified Entities may be obtained upon request directed to the Bond Bank.

It is the Bond Bank's current policy to provide its financial statements to the holders of its obligations, including the Bonds, upon written request. In addition, certain other information concerning the Bond Bank is available to the Trustee and holders of the Bonds pursuant to the Indenture.

Neither any advertisement of the Bonds nor this Official Statement is to be construed as constituting an agreement with the purchasers of the Bonds. So far as any statements are made in this Official Statement involving matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

This Official Statement has been duly approved, executed and delivered by the Bond Bank.

INDIANA BOND BANK

By: _____
Chairman Ex Officio

APPENDIX A

SUMMARY OF INFORMATION REGARDING THE QUALIFIED ENTITIES

ALEXANDRIA COMMUNITY SCHOOL CORPORATION

General

Alexandria Community School Corporation encompasses approximately 52 square miles in Madison County, Indiana overlapping the Township of Monroe, and includes the City of Alexandria and the Town of Orestes. The 2003 population of the School Corporation was 10,045.

The most recent audit by the State Board of Accounts was filed on May 22, 2003 for the period July 1, 2000 to June 30, 2002. The current audit period for the School Corporation began July 1, 2002 and concluded on June 30, 2004.

School Corporation Enrollment

The historic and projected total enrollments for Alexandria Community School Corporation are:

<u>School Year</u>	<u>Enrollment</u>
2000-2001	1,878
2001-2002	1,789
2002-2003	1,774
2003-2004	1,678
2004-2005*	1,653

*Estimated

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2004	\$ 292,060,900 ⁽¹⁾	N/A	\$ 1.1112	\$ 7,919,741*	\$ 735,807*
2003	301,596,164**	95.82% ⁽²⁾	1.1229	8,818,447	756,010
2002	185,359,240 ⁽³⁾	98.23	1.3938 ⁽³⁾	8,490,765	41,641
2001	59,395,132	103.30 ⁽⁴⁾	4.1467	8,054,880	31,089
2000	58,794,994	103.70 ⁽⁴⁾	4.1408	7,691,145	20,444

* Estimated

** Increase due to reassessment.

- (1) Decrease due in part to the expanded application of interstate commerce exemption for inventory.
- (2) Reflects payments of 2002 Pay 2003 property taxes through 2003. Additional 2002 Pay 2003 property taxes will be collected in 2004 as a result of delays in mailing property tax bills due to reassessment.
- (3) Prior to the 2001 Pay 2002 tax year, the State of Indiana used a real property valuation system that arrived at a full valuation designated as the True Tax Value that was then divided by three to arrive at the Assessed Value of the property. For the 2001 Pay 2002 tax year and subsequent years, property is valued at True Tax Value rather than Assessed Value.
- (4) Excess levies represent the high collections for 2000 and 2001, which were corrected in 2002.

ALEXANDRIA COMMUNITY SCHOOL CORPORATION (Continued)

**Unaudited Receipts & Disbursements
Calendar Year 2003**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>
Receipts:						
Property Taxes	\$ 691,007	\$ -	\$ 86,337	\$ 29,458	\$ 282,592	\$ 2,585
Bank & Excise	147,227	5,968	18,372	6,976	59,971	583
State Grants	8,455,041	31,242	89,897	-	-	29,615
Miscellaneous	285,054	500,326	39,627	-	4,655	-
Total	<u>\$ 9,578,329</u>	<u>\$ 537,536</u>	<u>\$ 234,233</u>	<u>\$ 36,434</u>	<u>\$ 347,218</u>	<u>\$ 32,783</u>
Disbursements	<u>\$ 9,954,410</u>	<u>\$ 656,716</u>	<u>\$ 377,418</u>	<u>\$ 89,850</u>	<u>\$ 586,904</u>	<u>\$ 63,432</u>

**Anticipated Receipts & Disbursements
Calendar Year 2004 Budget (1)**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>
Receipts:						
Property Taxes	\$ 2,722,325	\$ 592,690	\$ 283,563	\$ 95,324	\$ 1,100,598	\$ 12,792
Bank & Excise	400,050	170,130	51,893	16,795	161,518	1,898
State Grants	7,892,582	-	-	-	-	27,159
Miscellaneous	200,327	500	148,074	-	5,000	-
Total	<u>\$ 11,215,284</u>	<u>\$ 763,320</u>	<u>\$ 483,530</u>	<u>\$ 112,119</u>	<u>\$ 1,267,116</u>	<u>\$ 41,849</u>
Disbursements	<u>\$ 11,800,000</u>	<u>\$ 745,991</u>	<u>\$ 391,000</u>	<u>\$ 80,000</u>	<u>\$ 1,788,510</u>	<u>\$ 70,000</u>

(1) Represents a current estimate and will be adjusted accordingly once actual budget numbers are certified. Also, includes 2003 property tax and license and excise distributions received in February 2004.

Year End Cash Balances

<u>As of Dec. 31</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>	<u>All Other</u>	<u>TOTAL</u>
2004*	\$ 2,308,410	\$ 86,666	\$ 50,122	\$ 17,792	\$ 264,797	\$ 30,561	\$ 1,747,105	\$ 4,505,453
2003	2,893,126	69,337	(42,408)	(14,327)	786,191	58,712	1,836,613	5,587,244
2002	3,269,207	188,517	100,777	39,089	1,025,877	89,361	3,060,041	7,772,869
2001	4,327,069	159,340	60,338	28,597	1,066,927	68,943	1,206,129	6,917,343
2000	3,681,521	119,362	61,813	27,201	974,296	59,601	1,290,132	6,213,926

* Estimated

ALEXANDRIA COMMUNITY SCHOOL CORPORATION (Continued)

Current School Corporation Indebtedness

General Obligation Bonds - Now Outstanding	\$ 255,000
- Proposed Bonds	1,500,000
Lease Obligations	-
Veterans and Common School Loans	849,331
Total School Corporation Indebtedness	<u>\$ 2,604,331</u>
Assessed Valuation (2003 Payable 2004)	\$ 292,060,900
Assessed Valuation (2002 Payable 2003)	\$ 301,596,164
Debt as a % 2003/2004 of Assessed Valuation	0.89%
Population as of Year 2003	10,045
Total School Corporation Indebtedness Per Capita	\$ 259

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business or Product</u>	2002 Pay 2003 <u>Assessed Valuation</u>	% of 2002/2003 <u>Total Assessed Valuation</u>
Red Gold	Canned and Bottled Tomato Products	\$ 16,466,300	5.46%
Resin Partners, Inc.	Home Design Products	8,177,140	2.71
Kennedy Machines & Tool/ Kennedy Enterprises, Inc.	Machine/Tool Shop	4,676,000	1.55
Yule Country Club/Yule Estates	Golf Course	4,197,100	1.39
Gaither Family Resources/Gaither Management Group/Gaither Music Co./Gaither Studios, LLC.	Music Studio/Productions	2,898,270	0.96
Spring House, Inc.	Video/Audio Productions	1,933,180	0.64
Indiana Gas	Gas Utility	1,734,160	0.57
SBC/Ameritech	Telephone Utility	1,605,270	0.53
Norfolk Southern Corp.	Railroad	1,486,680	0.49
Indiana Michigan Power Co.	Electric Utility	1,194,420	0.40

BARR-REEVE COMMUNITY SCHOOLS

General

Barr-Reeve Community Schools encompasses approximately 117 square miles in Daviess County, Indiana overlapping the Townships of Barr and Reeve, and includes the Town of Montgomery. The 2000 population of the School Corporation was 5,509.

The most recent audit by the State Board of Accounts was filed on January 31, 2003 for the period July 1, 2000 to June 30, 2002. The current audit period for the School Corporation began July 1, 2002 and concluded on June 30, 2004.

School Corporation Enrollment

The historic and projected total enrollments for Barr-Reeve Community Schools are:

<u>School Year</u>	<u>Enrollment</u>
2000-2001	741
2001-2002	777
2002-2003	764
2003-2004	754
2004-2005*	761

* Estimated

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2004	\$ 218,847,970 ⁽¹⁾	N/ A	\$ 1.2479	\$ 2,479,044*	\$ 413,088*
2003	231,465,075**	98.23 %	1.1704	2,701,285	409,088
2002	144,255,328 ⁽²⁾	98.21	1.5158 ⁽²⁾	2,694,285	404,088
2001	47,179,555	100.05	4.4393	2,730,865	400,088
2000	45,257,075	101.48	4.3242	2,676,573	390,088

* Estimated

** Increase due to reassessment.

(1) Decrease due in part to reduction in personal property of Black Beauty Coal.

(2) Prior to the 2001 Pay 2002 tax year, the State of Indiana used a real property valuation system that arrived at a full valuation designated as the True Tax Value that was then divided by three to arrive at the Assessed Value of the property. For the 2001 Pay 2002 tax year and subsequent years, property is valued at True Tax Value rather than Assessed Value.

BARR-REEVE COMMUNITY SCHOOLS (Continued)

Unaudited Receipts & Disbursements Calendar Year 2003

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>
Receipts:						
Property Taxes	\$ 679,925	\$ 207,781	\$ 112,354	\$ 15,752	\$ 135,336	\$ 149
Bank & Excise	134,771	41,241	22,806	3,046	29,012	100
State Grants	2,637,904	-	31,534	-	-	12,234
Miscellaneous	234,590	99,000	2,017	32,000	4,704	-
Total	<u>\$ 3,687,190</u>	<u>\$ 348,022</u>	<u>\$ 168,711</u>	<u>\$ 50,798</u>	<u>\$ 169,052</u>	<u>\$ 12,483</u>
Disbursements	<u>\$ 4,449,890</u>	<u>\$ 555,349</u>	<u>\$ 249,487</u>	<u>\$ 69,929</u>	<u>\$ 536,023</u>	<u>\$ 8,250</u>

Anticipated Receipts & Disbursements Calendar Year 2004 Budget

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>
Receipts:						
Property Taxes (1)	\$ 2,180,425	\$ 731,336	\$ 511,096	\$ 45,685	\$ 967,330	\$ 9,012
Bank & Excise	142,875	44,396	31,283	2,230	52,531	446
State Grants	2,626,480	-	-	-	-	-
Miscellaneous	47,160	-	-	-	-	-
Total	<u>\$ 4,996,940</u>	<u>\$ 775,732</u>	<u>\$ 542,379</u>	<u>\$ 47,915</u>	<u>\$ 1,019,861</u>	<u>\$ 9,458</u>
Disbursements	<u>\$ 5,381,335</u>	<u>\$ 493,090</u>	<u>\$ 397,332</u>	<u>\$ - (2)</u>	<u>\$ 671,031</u>	<u>\$ 8,250 (3)</u>

(1) Includes 2002 Pay 2003 property tax receipts.

(2) Funds are being accumulated to purchase a bus in 2005 per the School Corporation's Bus Replacement Plan.

(3) Budget originally approved for \$19,250, but actual 2004 expenditures will total \$8,250

Year End Cash Balances

<u>As of Dec. 31</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>	<u>All Other</u>	<u>TOTAL</u>
2004*	\$ 1,319,168	\$ 133,998	\$ 129,731	\$ 29,356	\$ 131,260	\$ 8,219	\$ 175,000	\$ 1,926,732
2003	1,703,563	(148,644)	(15,316)	(18,559)	(217,570)	7,011	176,194	1,486,679
2002	2,466,263	58,683	65,460	572	149,401	2,778	170,873	2,914,030
2001	2,273,970	207,720	81,108	3,270	175,868	7,533	191,926	2,941,395
2000	1,821,452	16,078	139,755	-	175,305	5,053	113,721	2,271,364

* Estimated

BARR-REEVE COMMUNITY SCHOOLS (Continued)**Current School Corporation Indebtedness**

General Obligation Bonds - Now Outstanding	\$ -
- Proposed Bonds	2,500,000
Lease Obligations	3,156,500
Veterans and Common School Loans	659,734
Total School Corporation Indebtedness	<u>\$ 6,316,234</u>
Assessed Valuation (2003 Payable 2004)	\$ 218,847,970
Debt as a % of 2003/2004 Assessed Valuation	2.89%
Population as of Year 2000	5,509
Total School Corporation Indebtedness Per Capita	\$ 1,147

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business or Product</u>	2003 Pay 2004 Assessed Valuation	% of 2003/2004 Total Assessed Valuation
Solar Services, Inc.	Coal Mining	\$ 3,493,800	1.60%
Gasthof Village, Inc.	Tourist Attraction	3,390,790	1.55
Daviess County Metal Sales	Truss Rafters and Building Materials	3,045,240	1.39
Black Beauty Coal Co.	Coal Mining	2,849,680	1.30
Caterpillar Financial Services	Finance	1,908,570	0.87
Land O'Lakes	Dairy	1,808,230	0.83
County Oaks Golf Club, Inc.	Golf Course	1,001,000	0.46
Hoosier Realty II, LLC	Realty	897,060	0.41
Daviess Martin County REMC	Electric Utility	839,250	0.38
Traylor Fertilizer Services	Fertilizer	688,180	0.31

CENTERVILLE-ABINGTON COMMUNITY SCHOOLS CORPORATION

General

Centerville-Abington Community Schools encompasses approximately 63 square miles in Wayne County, Indiana overlapping the Townships of Abington and Center; and includes the Town of Centerville. The 2000 population of the School Corporation was 8,250.

The most recent audit by the State Board of Accounts was filed on May 22, 2003 for the period July 1, 2000 to June 30, 2002. The current audit period for the School Corporation began July 1, 2002 and concluded on June 30, 2004.

School Corporation Enrollment

The historic and projected total enrollments for Centerville-Abington Community Schools are:

<u>School Year</u>	<u>Enrollment</u>
2000-2001	1,680
2001-2002	1,667
2002-2003	1,584
2003-2004	1,670
2004-2005*	1,650

* Estimated

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2004	\$ 292,160,577	N/A	\$ 1.6270	\$ 7,306,681*	\$ 1,669,040*
2003	284,432,311**	98.30% ⁽¹⁾	1.6270	7,420,100	1,206,268
2002	175,774,519 ⁽²⁾	97.11	2.1381 ⁽²⁾	7,271,067	1,224,968
2001	61,896,958	92.59 ⁽³⁾	5.9225	7,588,376	676,531
2000	57,754,431	97.29	5.7563	7,138,069	637,593

* Estimated

** Increase due to reassessment.

- (1) Includes 2002 Pay 2003 property taxes collected in 2004.
- (2) Prior to the 2001 Pay 2002 tax year, the State of Indiana used a real property valuation system that arrived at a full valuation designated as the True Tax Value that was then divided by three to arrive at the Assessed Value of the property. For the 2001 Pay 2002 tax year and subsequent years, property is valued at True Tax Value rather than Assessed Value.
- (3) Low collections in 2001 were due in part to an erroneous assessment of Indiana Municipal Power Agency.

CENTERVILLE-ABINGTON COMMUNITY SCHOOLS (Continued)

**Unaudited Receipts & Disbursements
Calendar Year 2003**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>
Receipts:						
Property Taxes	\$ 731,445	\$ 395,633	\$ 222,607	\$ 27,700	\$ 279,170	\$ 2,405
Bank & Excise	172,159	99,572	52,676	7,448	65,121	607
State Grants	7,102,863	30,263	95,946	-	-	8,476
Miscellaneous	2,964,335	1,451,049	215,294	324,332	862,361	83,836
Total	<u>\$ 10,970,802</u>	<u>\$ 1,976,517</u>	<u>\$ 586,523</u>	<u>\$ 359,480</u>	<u>\$ 1,206,652</u>	<u>\$ 95,324</u>
Disbursements	<u>\$ 11,526,516</u>	<u>\$ 2,468,938</u>	<u>\$ 846,238</u>	<u>\$ 446,687</u>	<u>\$ 1,335,434</u>	<u>\$ 91,047</u>

**Anticipated Receipts & Disbursements
Calendar Year 2004 Budget**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>
Receipts:						
Property Taxes	\$ 2,918,382	\$ 2,632,919	\$ 903,746	\$ 236,647	\$ 1,017,972	\$ 12,540
Bank & Excise	230,140	191,206	69,194	15,148	81,775	723
State Grants	7,163,507	-	-	-	-	10,365
Miscellaneous	2,095,790	17,693	-	-	-	8,400
Total	<u>\$ 12,407,819</u>	<u>\$ 2,841,818</u>	<u>\$ 972,940</u>	<u>\$ 251,795</u>	<u>\$ 1,099,747</u>	<u>\$ 32,028</u>
Disbursements	<u>\$ 10,771,169</u>	<u>\$ 1,927,830</u>	<u>\$ 754,032</u>	<u>\$ 195,000</u>	<u>\$ 901,913</u>	<u>\$ 50,577</u>

Year End Cash Balances

<u>As of Dec. 31</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>	<u>All Other</u>	<u>TOTAL</u>
2004*	\$ 2,837,956	\$ 719,775	\$ 148,994	\$ 34,531	\$ 301,729	\$ 18,686	\$ 300,000	\$ 4,361,671
2003	1,201,306	(194,213)	(69,914)	(22,264)	103,895	37,235	303,007	1,359,052
2002	1,757,020	298,208	189,801	64,943	232,677	32,958	160,495	2,736,102
2001	2,057,069	515,299	212,742	92,280	432,048	37,201	590,990	3,937,629
2000	2,485,634	405,252	237,213	40,523	555,551	45,816	121,618	3,891,607

* Estimated

CENTERVILLE-ABINGTON COMMUNITY SCHOOLS (Continued)

Current School Corporation Indebtedness

General Obligation Bonds - Now Outstanding	\$ -
- Proposed Bonds	1,600,000
Lease Obligations	-
Veterans and Common School Loans	17,696,114
Total School Corporation Indebtedness	<u>\$ 19,296,114</u>
Assessed Valuation (2003 Payable 2004)	\$ 292,160,577
Assessed Valuation (2002 Payable 2003)	\$ 284,432,311
Debt as a % of 2003/2004 Assessed Valuation	6.60%
Population as of Year 2000	8,250
Total School District Indebtedness Per Capita	\$ 2,339

Largest Taxpayers

<u>Taxpayer</u>	<u>Business or Product</u>	2002 Pay 2003 <u>Assessed</u> <u>Valuation</u>	% of 2002/2003 Total Assessed <u>Valuation</u>
Indiana Municipal Power Agency	Utility	\$ 6,983,057	2.46%
K-Mart	Retail	1,927,500	0.68
Mosey Manufacturing	Automotive Transmission Parts	1,537,200	0.54
Cummings Brothers	Rental Property	1,183,400	0.42
Panoramic Apartments	Rental Property	950,900	0.33
Golden Engineering	Portable X-Ray Machines	702,400	0.25
Webb's Antiques	Retail	639,700	0.22

CRAWFORDSVILLE COMMUNITY SCHOOL CORPORATION

General

Crawfordsville Community School Corporation encompasses approximately 18 square miles in Montgomery County, Indiana overlapping a small portion of the Township of Union, and includes most of the City of Crawfordsville. The 2000 population of the School Corporation was 15,865.

The most recent audit by the State Board of Accounts was filed on March 21, 2003 for the period July 1, 2000 to June 30, 2002. The current audit period for the School Corporation began July 1, 2002 and concluded on June 30, 2004.

School Corporation Enrollment

The historic and projected total enrollments for Crawfordsville Community School Corporation are:

<u>School Year</u>	<u>Enrollment</u>
2000-2001	2,453
2001-2002	2,469
2002-2003	2,563
2003-2004	2,360
2004-2005*	2,353

* Estimated

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2004	\$593,743,843	N/A	\$ 1.8312	\$ 9,844,541*	\$ 4,407,242*
2003	542,110,967**	96.87% ⁽¹⁾	1.9355	9,994,458	4,410,499
2002	376,396,969 ⁽²⁾	98.56	2.6841 ⁽²⁾	9,798,682	4,708,272
2001	129,884,686	95.06 ⁽³⁾	8.1523	9,276,599	4,712,444
2000	131,992,055	95.11 ⁽³⁾	7.7045	8,754,326	4,792,589

* Estimated

** Increase due to reassessment.

(1) Includes 2002 Pay 2003 property taxes collected in 2004.

(2) Prior to the 2001 Pay 2002 tax year, the State of Indiana used a real property valuation system that arrived at a full valuation designated as the True Tax Value that was then divided by three to arrive at the Assessed Value of the property. For the 2001 Pay 2002 tax year and subsequent years, property is valued at True Tax Value rather than Assessed Value.

(3) Low collections due in part to appeals and assessment errors.

CRAWFORDSVILLE COMMUNITY SCHOOL CORPORATION (Continued)

**Unaudited Receipts & Disbursements
Calendar Year 2003**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>
Receipts:						
Property Taxes	\$ 1,145,612	\$ 1,264,257	\$ 171,595	\$ 61,191	\$ 394,050	\$ 5,108
Bank & Excise	174,939	198,669	25,922	8,954	62,919	611
State Grants	9,745,398	-	10,460	-	-	114,723
Miscellaneous	3,839,298	5,357,611	1,636	-	1,038,492	-
Total	<u>\$ 14,905,247</u>	<u>\$ 6,820,537</u>	<u>\$ 209,613</u>	<u>\$ 70,145</u>	<u>\$ 1,495,461</u>	<u>\$ 120,442</u>
Disbursements	<u>\$ 14,590,071</u>	<u>\$ 6,689,984</u>	<u>\$ 586,229</u>	<u>\$ 178,378</u>	<u>\$ 1,482,692</u>	<u>\$ 130,930</u>

**Anticipated Receipts & Disbursements
Calendar Year 2004 Budget**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>
Receipts:						
Property Taxes (1)	\$ 6,747,468	\$ 7,521,993	\$ 1,035,683	\$ 368,025	\$ 2,342,425	\$ 31,295
Bank & Excise	288,000	147,400	44,900	16,100	101,000	1,200
State Grants	9,607,040	-	-	-	15,966	84,400
Miscellaneous	613,218	-	-	-	-	-
Total	<u>\$ 17,255,726</u>	<u>\$ 7,669,393</u>	<u>\$ 1,080,583</u>	<u>\$ 384,125</u>	<u>\$ 2,459,391</u>	<u>\$ 116,895</u>
Disbursements	<u>\$ 17,473,325</u>	<u>\$ 7,747,774</u>	<u>\$ 685,461</u>	<u>\$ 274,945</u>	<u>\$ 2,481,587</u>	<u>\$ 135,000</u>

(1) Includes Pay 2003 property tax receipts.

Year End Cash Balances

<u>As of Dec. 31</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>	<u>All Other</u>	<u>TOTAL</u>
2004*	\$ 1,199,546	\$ 92,485	\$ 75,000	\$ 10,000	\$ 265,489	\$ 60,165	\$ 675,000	\$ 2,377,685
2003	1,417,145	170,866	(320,122)	(99,180)	287,685	78,270	872,610	2,407,274
2002	1,101,969	40,313	56,494	9,053	274,916	88,758	898,253	2,469,756
2001	1,138,681	(68,730)	31,894	(3,802)	139,623	116,416	794,355	2,148,437
2000	1,347,470	4,383	56,892	8,596	(89,523)	120,806	422,405	1,871,029

* Estimated

CRAWFORDSVILLE COMMUNITY SCHOOL CORPORATION (Continued)

Current School Corporation Indebtedness

General Obligation Bonds - Now Outstanding	\$ -
- Proposed Bonds	5,110,000
Lease Obligations	48,247,500
Veterans and Common School Loans	469,670
Total School Corporation Indebtedness	<u>\$ 53,827,170</u>
Assessed Valuation (2003 Payable 2004)	\$ 593,743,843
Debt as a % of 2003/2004 Assessed Valuation	9.07%
Population as of Year 2000	15,865
Total School Corporation Indebtedness Per Capita	\$ 3,393

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business or Product</u>	2003 Pay 2004 <u>Assessed</u> <u>Valuation</u>	% of 2003/2004 <u>Total Assessed</u> <u>Valuation</u>
Alcoa	Aluminum and Plastic Closures	\$ 89,215,780	15.03%
R.R. Donnelly & Sons	Printers	42,029,657	7.08
Crawfordsville Square, LLC	Retail	11,818,800	1.99
Lithonia Lighting Co.	Light Products	10,129,750	1.71
Pedcor Investments	Lessors	6,862,980	1.16
Zep Group Inc.	Lighting Co.	6,690,666	1.13
Indiana-American Water Co.	Utility	6,381,650	1.07
Indiana Bell Telephone	Utility	5,257,500	0.89
Raybestos	Brakes	4,155,090	0.70
Glen Steet Leasing Co.	Leasing	2,963,870	0.50

DECATUR COUNTY COMMUNITY SCHOOL CORPORATION

General

Decatur County Community School Corporation encompasses approximately 291 square miles in Decatur County, Indiana overlapping the Townships of Clay, Clinton, Fugit, Jackson, Milford, Salt Creek, Sand Creek and a portion of Marion Township; and includes the Towns of Milford, Millhousen, New Point, St. Paul and Westport. The School Corporation also includes a portion of the Town of St. Paul in Shelby County, Indiana. The 2000 population of the School Corporation was 12,551.

The most recent audit by the State Board of Accounts was filed on March 25, 2003 for the period July 1, 2000 to June 30, 2002. The current audit period for the School Corporation began July 1, 2002 and concluded on June 30, 2004.

School Corporation Enrollment

The historic and projected total enrollments for Decatur County Community School Corporation are:

<u>School Year</u>	<u>Enrollment</u>
2000-2001	2,253
2001-2002	2,210
2002-2003	2,195
2003-2004	2,180
2004-2005*	2,100

*Estimated

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2004	\$543,478,390	N/A	\$1.0095	\$ 8,651,649*	\$ 805,242*
2003	542,643,360**	101.67%	0.9708	8,491,877	804,399
2002	320,225,191 ⁽¹⁾	102.50	1.5259 ⁽¹⁾	8,368,032	807,237
2001	102,524,314	101.43	4.4637	8,632,239	653,493
2000	102,088,528	101.65	4.5663	8,108,951	798,212

* Estimated

** Increase due to reassessment.

- (1) Prior to the 2001 Pay 2002 tax year, the State of Indiana used a real property valuation system that arrived at a full valuation designated as the True Tax Value that was then divided by three to arrive at the Assessed Value of the property. For the 2001 Pay 2002 tax year and subsequent years, property is valued at True Tax Value rather than Assessed Value.

DECATUR COUNTY COMMUNITY SCHOOL CORPORATION (Continued)

**Unaudited Receipts & Disbursements
Calendar Year 2003**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>
Receipts:						
Property Taxes	\$ 2,507,166	\$ 106,347	\$ 29,734	\$ 8,237	\$ 41,141	\$ 498
Bank & Excise	185,389	53,930	13,518	781	23,199	364
State Grants	8,186,441	39,719	157,996		-	29,091
Miscellaneous	5,574,683	754,000	1,108,730	15,000	23,213	18,792
Total	<u>\$ 16,453,679</u>	<u>\$ 953,996</u>	<u>\$ 1,309,978</u>	<u>\$ 24,018</u>	<u>\$ 87,553</u>	<u>\$ 48,745</u>
Disbursements	<u>\$ 16,408,815</u>	<u>\$ 1,024,210</u>	<u>\$ 1,418,986</u>	<u>\$ 68,165</u>	<u>\$ 1,091,848</u>	<u>\$ 67,453</u>

**Anticipated Receipts & Disbursements
Calendar Year 2004 Budget**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>
Receipts:						
Property Taxes	\$ 2,992,310	\$ 723,895	\$ 657,591	\$ 88,587	\$ 1,013,555	\$ 10,326
Bank & Excise	535,253	129,488	117,627	15,846	181,301	1,848
State Grants	8,604,899	-	-	-	-	46,750
Miscellaneous	902,000	-	270,000	-	150,000	-
Total	<u>\$ 13,034,462</u>	<u>\$ 853,383</u>	<u>\$ 1,045,218</u>	<u>\$ 104,433</u>	<u>\$ 1,344,856</u>	<u>\$ 58,924</u>
Disbursements	<u>\$ 13,230,476</u>	<u>\$ 868,212</u>	<u>\$ 1,071,175</u>	<u>\$ 110,000</u>	<u>\$ 1,712,828</u>	<u>\$ -</u>

Year End Cash Balances

<u>As of Dec. 31</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>	<u>All Other</u>	<u>TOTAL</u>
2004*	\$ 1,510,251	\$ 353,832	\$ 35,459	\$ 152	\$ 145,177	\$ 6,346	\$ 720,000	\$ 2,771,217
2003	1,706,265	368,661	61,416	5,719	513,149	(52,578)	410,374	3,013,006
2002	1,661,401	438,875	170,424	49,866	1,517,444	(33,870)	489,796	4,293,936
2001	1,530,852	570,913	150,508	29,841	1,398,014	(23,247)	535,613	4,192,494
2000	1,181,422	664,507	169,818	-	1,298,394	(25,755)	604,096	3,892,482

* Estimated

DECATUR COUNTY COMMUNITY SCHOOL CORPORATION (Continued)

Current School Corporation Indebtedness

General Obligation Bonds - Now Outstanding	\$ -
- Proposed Bonds	2,940,000
Lease Obligations	6,030,000
Veterans and Common School Loans	960,387
Total School Corporation Indebtedness	<u>\$ 9,930,387</u>
Assessed Valuation (2003 Payable 2004)	\$ 543,478,390
Debt as a % of 2003/2004 Assessed Valuation	1.83%
Population as of Year 2000	12,551
Total School Corporation Indebtedness Per Capita	\$ 791

Largest Taxpayers

<u>Taxpayer</u>	<u>Business or Product</u>	2003 Pay 2004 Assessed <u>Valuation</u>	% of 2003/2004 Total Assessed <u>Valuation</u>
Wheaton Industries	Pharmaceutical Vials	\$ 3,094,460	0.57%
Verizon	Utility	2,953,510	0.54
Wood-Mizer	Sawmills, Wood Equipment	2,462,090	0.45
J. Franklin Corya	Agriculture Products	1,549,600	0.29
Cinergy	Utility	947,200	0.17
Robert & Sharon Brown	Residential	556,140	0.10
Charles & Naomi Reiger	Agriculture	355,600	0.07
Dieckmann Ranch	Agriculture	353,700	0.07

DELAWARE COMMUNITY SCHOOL CORPORATION

General

Delaware Community School Corporation encompasses approximately 125 square miles in Delaware County, Indiana overlapping the Townships of Delaware, Hamilton, Niles and Union; and includes a portion of the City of Muncie; and the Towns of Eaton and Albany. The 2002 population of the School Corporation was 15,368.

The most recent audit by the State Board of Accounts was filed on January 31, 2003 for the period July 1, 2000 to June 30, 2002. The current audit period for the School Corporation began July 1, 2002 and concluded on June 30, 2004.

School Corporation Enrollment

The historic and projected total enrollments for Delaware Community School Corporation are:

<u>School Year</u>	<u>Enrollment</u>
2000-2001	2,904
2001-2002	2,954
2002-2003	2,899
2003-2004	2,879
2004-2005*	2,883

*Estimated

Selected Statistical Information

Tax Payment <u>Year</u>	Assessed <u>Valuation</u>	Tax <u>Collections</u>	Total School <u>Tax Rate</u>	State <u>Aid</u>	Total <u>Debt Service</u>
2004	\$ 521,739,980	N/A	\$ 1.6589	\$ 11,071,432*	\$ 2,274,500
2003	527,710,540**	102.63%	1.5455	11,548,963	2,349,500
2002	327,874,680 ⁽¹⁾	98.46	2.0509 ⁽¹⁾	11,469,555	2,338,000
2001	104,087,505	100.56	6.1996	11,520,130	2,129,565
2000	103,762,929	102.54	6.4700	10,290,065	2,401,000

* Estimated

** Increase due to reassessment.

- (1) Prior to the 2001 Pay 2002 tax year, the State of Indiana used a real property valuation system that arrived at a full valuation designated as the True Tax Value that was then divided by three to arrive at the Assessed Value of the property. For the 2001 Pay 2002 tax year and subsequent years, property is valued at True Tax Value rather than Assessed Value.

DELAWARE COMMUNITY SCHOOL CORPORATION (Continued)

**Unaudited Receipts & Disbursements
Calendar Year 2003**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>
Receipts:						
Property Taxes	\$ 3,477,185	\$ 1,994,487	\$ 883,464	\$ 393,852	\$ 1,187,219	\$ 16,990
Bank & Excise	553,629	317,226	140,517	62,642	188,829	2,703
State Grants	11,114,120	52,471	226,795	-	-	60,453
Miscellaneous	791,346	-	38,785	100,000	202,484	-
Total	<u>\$ 15,936,280</u>	<u>\$ 2,364,184</u>	<u>\$ 1,289,561</u>	<u>\$ 556,494</u>	<u>\$ 1,578,532</u>	<u>\$ 80,146</u>
Disbursements	<u>\$ 15,543,189</u>	<u>\$ 2,345,975</u>	<u>\$ 1,001,400</u>	<u>\$ 332,133</u>	<u>\$ 1,402,296</u>	<u>\$ 35,167</u>

**Anticipated Receipts & Disbursements
Calendar Year 2004 Budget**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>
Receipts:						
Property Taxes	\$ 3,586,672	\$ 2,320,614	\$ 1,033,620	\$ 612,690	\$ 1,453,160	\$ 16,547
Bank & Excise	490,000	255,000	117,500	53,200	166,000	1,240
State Grants	11,011,432	-	-	-	-	60,000
Miscellaneous	883,000	10,000	4,500	2,500	6,800	30
Total	<u>\$ 15,971,104</u>	<u>\$ 2,585,614</u>	<u>\$ 1,155,620</u>	<u>\$ 668,390</u>	<u>\$ 1,625,960</u>	<u>\$ 77,817</u>
Disbursements	<u>\$ 14,750,443</u>	<u>\$ 2,277,577</u>	<u>\$ 1,060,592</u>	<u>\$ 514,785</u>	<u>\$ 1,578,617</u>	<u>\$ 157,963</u>

Year End Cash Balances

<u>As of Dec. 31</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>	<u>All Other</u>	<u>TOTAL</u>
2004*	\$ 5,852,529	\$ 1,710,500	\$ 770,000	\$ 400,000	\$ 670,000	\$ -	\$ 805,000	\$ 10,208,029
2003	4,631,868	1,402,463	674,972	246,395	622,657	80,146	754,260	8,412,761
2002	4,238,777	1,384,254	386,811	22,034	446,421	35,167	655,830	7,169,294
2001	3,028,791	1,457,312	442,997	53,162	343,875	28,629	732,704	6,087,470
2000	2,176,241	1,447,712	514,658	6,669	400,664	42,233	370,351	4,958,528

* Estimated

DELAWARE COMMUNITY SCHOOL CORPORATION (Continued)

Current School Corporation Indebtedness

General Obligation Bonds - Now Outstanding	\$ -
- Proposed Bonds	5,060,000
Lease Obligations	15,995,000
Veterans and Common School Loans	-
Total School Corporation Indebtedness	<u>\$ 21,055,000</u>
Assessed Valuation (2003 Payable 2004)	\$ 521,739,980
Assessed Valuation (2002 Payable 2003)	\$ 527,710,540
Debt as a % of 2003/2004 Assessed Valuation	4.04%
Population as of Year 2002	15,368
Total School Corporation Indebtedness Per Capita	\$ 1,370

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business or Product</u>	2002 Pay 2003 Assessed Valuation	% of 2002/2003 Total Assessed Valuation
Indiana Michigan Electric Co.	Electric Utility	\$ 11,211,290	2.12%
Rock-Tenn Co. Mill	Corrugated Cardboard	6,604,290	1.25
SBC Communications	Telephone Utility	3,924,080	0.74
Irving Materials Inc.	Stone, Gravel and Asphalt Paving	3,864,310	0.73
Littler Diecast Corp.	Diecast Molds	3,504,310	0.66
Muncie Novelty Products	Tickets and Fundraising Games	3,029,630	0.57
Paws, Inc.	Garfield Marketing and Advertising Offices	2,868,470	0.54
Marathon Petroleum Co./ Marathon Pipeline Co.	Bulk Storage and Pipeline	2,850,651	0.54
Indiana Gas Company	Natural Gas Utility	2,360,930	0.45
Indiana Glass Company	Miscellaneous Glassware	1,978,220	0.37

JAY SCHOOL CORPORATION

General

Jay School Corporation encompasses approximately 400 square miles of Jay County, Indiana and includes the Towns of Bryant, Dunkirk, Pennville, Redkey and Salamonina; the Townships of Bearcreek, Greene, Jackson, Jefferson, Knox, Madison, Noble, Penn, Pike, Richland, Wabash and Wayne; and the City of Portland. A portion of the Town of Dunkirk is located in Blackford County, and is also included in the School Corporation. The 2000 population of the School Corporation was 21,806.

The most recent audit by the State Board of Accounts was filed on January 31, 2003 for the period July 1, 2000 to June 30, 2002. The current audit period for the School Corporation began July 1, 2002 and concluded on June 30, 2004.

School Corporation Enrollment

The historic and projected total enrollments for Jay School Corporation are:

<u>School Year</u>	<u>Enrollment</u>
2000-2001	3,927
2001-2002	3,868
2002-2003	3,867
2003-2004	3,889
2004-2005*	3,878

* Estimated

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2004	\$786,823,015	N/A	\$ 1.4467	\$ 14,944,964*	\$ 1,368,871*
2003	789,146,200**	101.66%	1.4178	14,747,277	1,785,481
2002	576,599,960 ⁽¹⁾	99.88	1.7398 ⁽¹⁾	14,303,692	1,339,633
2001	185,759,550	101.22	1.5175	14,290,891	704,505
2000	178,215,685	99.09	1.4811	13,890,689	1,043,077

* Estimated

** Increase due to reassessment.

- (1) Prior to the 2001 Pay 2002 tax year, the State of Indiana used a real property valuation system that arrived at a full valuation designated as the True Tax Value that was then divided by three to arrive at the Assessed Value of the property. For the 2001 Pay 2002 tax year and subsequent years, property is valued at True Tax Value rather than Assessed Value.

JAY SCHOOL CORPORATION (Continued)

Unaudited Receipts & Disbursements Calendar Year 2003

	General Fund	Debt Service Fund	Transportation Fund	Bus Replacement Fund	Capital Projects Fund	Special Ed Pre-School
Receipts:						
Property Taxes	\$ 5,855,439	\$ 1,920,448	\$ 1,236,931	\$ 534,924	\$ 2,188,297	\$ 26,264
Bank & Excise	543,601	8,183	5,269	49,831	9,342	114
State Grants	14,747,277	-	109,820	-	-	180,204
Miscellaneous	4,346,617	1,122,195	447,047	2,751	1,824,896	2,487
Total	<u>\$ 25,492,934</u>	<u>\$ 3,050,826</u>	<u>\$ 1,799,067</u>	<u>\$ 587,506</u>	<u>\$ 4,022,535</u>	<u>\$ 209,069</u>
Disbursements	<u>\$ 25,046,299</u>	<u>\$ 2,712,684</u>	<u>\$ 1,711,083</u>	<u>\$ -</u>	<u>\$ 3,873,864</u>	<u>\$ 206,558</u>

Anticipated Receipts & Disbursements Calendar Year 2004 Budget

	General Fund	Debt Service Fund	Transportation Fund	Bus Replacement Fund	Capital Projects Fund	Special Ed Pre-School
Receipts:						
Property Taxes	\$ 6,023,986	\$ 1,164,427	\$ 1,253,982	\$ 824,626	\$ 2,948,656	\$ 62,983
Bank & Excise	550,536	135,751	123,024	4,851	229,911	2,048
State Grants	14,899,399	-	-	-	-	180,213
Miscellaneous	424,628	8,170	-	-	14,155	-
Total	<u>\$ 21,898,549</u>	<u>\$ 1,308,348</u>	<u>\$ 1,377,006</u>	<u>\$ 829,477</u>	<u>\$ 3,192,722</u>	<u>\$ 245,244</u>
Disbursements	<u>\$ 21,896,985</u>	<u>\$ 1,368,871</u>	<u>\$ 1,418,150</u>	<u>\$ 1,237,000</u>	<u>\$ 3,533,727</u>	<u>\$ 243,100</u>

Year End Cash Balances

As of Dec. 31	General Fund	Debt Service Fund	Transportation Fund	Bus Replacement Fund	Capital Projects Fund	Special Ed Pre-School	All Other	TOTAL
2004*	\$ 2,193,080	\$ 705,126	\$ 352,365	\$ 231,572	\$ 659,469	\$ 107,243	\$ 2,400,000	\$ 6,648,855
2003	2,191,516	765,649	393,509	639,095	1,000,474	105,099	2,741,672	7,837,014
2002	1,744,881	427,507	305,525	51,589	851,803	102,588	2,578,712	6,062,605
2001	1,927,454	201,063	266,803	79,751	436,076	121,250	1,107,517	4,139,914
2000	2,969,762	76,369	360,815	22,022	883,124	128,635	561,865	5,002,592

* Estimated

JAY SCHOOL CORPORATION (Continued)

Current School Corporation Indebtedness

General Obligation Bonds - Now Outstanding	\$ 1,925,000
- Proposed Bonds	10,300,000
Lease Obligations	20,040,000
Veterans and Common School Loans	162,363
Total School Corporation Indebtedness	<u>\$ 32,427,363</u>
Assessed Valuation (2003 Payable 2004)	\$ 786,823,015
Debt as a % of 2003/2004 Assessed Valuation	4.12%
Population as of Year 2000	21,806
Total School Corporation Indebtedness Per Capita	\$ 1,487

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business or Product</u>	2003 Pay 2004 Assessed <u>Valuation</u>	% of 2003/2004 Total Assessed <u>Valuation</u>
FCC Indiana	Clutches, Automotive	\$ 14,180,750	1.80%
Ball Foster (St. Grobain)	Glass Containers	12,314,100	1.57
Tyson Foods	Taco Chips	7,879,740	1.00
Doane Pet Care	Pet Food	6,223,010	0.79
United Telephone	Phone Utility	5,224,960	0.66
Portland Forge	Steel Forgings	4,662,530	0.59
The Andersons	Grain Terminal	4,659,820	0.59
Jay Products	Refrigeration Supplies	3,136,100	0.40
Createc	Package Foam	2,478,520	0.32
Hartzell Fan	Propellers	1,949,310	0.25

M.S.D. OF MARTINSVILLE

General

M.S.D. of Martinsville encompasses 236 square miles in Morgan County, Indiana overlapping the Townships of Baker, Clay, Green, Jefferson, Ray and Washington; and includes the City of Martinsville; and the Towns of Bethany, Brooklyn, Morgantown and Paragon. The 2000 population of the School District was 33,941.

The most recent audit by the State Board of Accounts was filed on April 19, 2004 for the period July 1, 2001 to June 30, 2003. The current audit period for the School District began July 1, 2003 and will conclude on June 30, 2005.

School District Enrollment

The historic and projected total enrollments for M.S.D. of Martinsville are:

<u>School Year</u>	<u>Enrollment</u>
2000-2001	5,421
2001-2002	5,472
2002-2003	5,412
2003-2004	5,419
2004-2005*	5,477

*Estimated

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2004	\$1,211,164,415 ⁽¹⁾	N/A	\$ 1.0714	\$ 20,617,325*	\$ 1,856,527*
2003	1,270,156,111**	99.28%	0.9716	21,041,776	1,763,452
2002	765,359,640 ⁽²⁾	100.86	1.5193 ⁽²⁾	20,543,449	1,752,495
2001	249,927,440	100.15	4.5846	20,426,436	1,778,409
2000	241,735,790	101.23	4.5171	19,312,110	1,821,328

* Estimated

** Increase due to reassessment.

- (1) Decrease due in part to the expanded application of interstate commerce exemption for inventory.
- (2) Prior to the 2001 Pay 2002 tax year, the State of Indiana used a real property valuation system that arrived at a full valuation designated as the True Tax Value that was then divided by three to arrive at the Assessed Value of the property. For the 2001 Pay 2002 tax year and subsequent years, property is valued at True Tax Value rather than Assessed Value.

M.S.D. OF MARTINSVILLE (Continued)

**Unaudited Receipts & Disbursements
Calendar Year 2003**

Receipts:						
Property Taxes	\$ 6,629,099	\$ 1,369,450	\$ 1,262,265	\$ 348,037	\$ 2,606,495	\$ 36,569
Bank & Excise	1,432,402	295,908	272,748	75,202	563,206	7,902
State Grants	20,575,412	-	154,338	-	-	103,835
Miscellaneous	1,982,158	92,001	113,388	23,370	175,134	1,582
Total	<u>\$ 30,619,071</u>	<u>\$ 1,757,359</u>	<u>\$ 1,802,739</u>	<u>\$ 446,609</u>	<u>\$ 3,344,835</u>	<u>\$ 149,888</u>
Disbursements	<u>\$ 29,202,946</u>	<u>\$ 1,777,340</u>	<u>\$ 1,809,756</u>	<u>\$ 393,575</u>	<u>\$ 3,762,710</u>	<u>\$ 146,646</u>

**Anticipated Receipts & Disbursements
Calendar Year 2004 Budget**

Receipts:						
Property Taxes	\$ 6,985,996	\$ 1,421,907	\$ 1,339,548	\$ 291,891	\$ 2,914,062	\$ 23,012
Bank & Excise	1,210,853	249,921	230,915	63,558	474,857	4,304
State Grants	20,519,414	-	-	-	-	97,911
Miscellaneous	484,332	-	208,000	-	-	-
Total	<u>\$ 29,200,595</u>	<u>\$ 1,671,828</u>	<u>\$ 1,778,463</u>	<u>\$ 355,449</u>	<u>\$ 3,388,919</u>	<u>\$ 125,227</u>
Disbursements	<u>\$ 35,188,838</u>	<u>\$ 1,856,527</u>	<u>\$ 2,227,273</u>	<u>\$ 145,000</u>	<u>\$ 3,439,815</u>	<u>\$ 294,733</u>

Year End Cash Balances

As of Dec. 31	General Fund	Debt Service Fund	Transportation Fund	Bus Replacement Fund	Capital Projects Fund	Special Ed Pre-School	All Other	TOTAL
2004*	\$ 5,178,510	\$ 942,221	\$ 672,742	\$ 606,426	\$ 2,644,747	\$ 109,564	\$ 550,000	\$ 10,704,210
2003	11,166,753	1,126,920	1,121,552	395,977	2,695,643	279,070	507,357	17,293,272
2002	9,750,628	1,146,901	1,128,569	342,943	3,113,518	275,828	443,042	16,201,429
2001	7,955,623	1,131,549	1,162,526	164,943	2,538,810	222,739	703,532	13,879,722
2000	6,784,619	1,097,171	1,162,859	310,618	2,735,199	144,306	689,189	12,923,961

* Estimated

M.S.D. OF MARTINSVILLE (Continued)

Current School District Indebtedness

General Obligation Bonds - Now Outstanding	\$ 2,240,000
- Proposed Bonds	7,800,000
Lease Obligations	4,225,000
Veterans and Common School Loans	-
Total School District Indebtedness	<u>\$ 14,265,000</u>
Assessed Valuation (2003 Payable 2004)	\$1,211,164,415
Debt as a % of 2003/2004 Assessed Valuation	1.18%
Population as of Year 2000	33,941
Total School District Indebtedness Per Capita	\$ 420

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business or Product</u>	2003 Pay 2004 Assessed <u>Valuation</u>	% of 2003/2004 Total Assessed <u>Valuation</u>
IPL	Utility	\$ 21,644,340	1.79%
Glimcher Properties LP	Property Management	10,760,700	0.89
Harman-Motive Inc.	Automotive Audio Parts	10,690,290	0.88
Indiana Bell Telephone	Utility	6,100,070	0.50
PSI Energy	Utility	5,444,450	0.45
South Central IN REMC	Utility	5,400,190	0.45
Hydraulic Brick Press	Concrete Products	3,358,000	0.28
Country View	Apartments	2,964,900	0.24
McDaniel & Hahn	Property Management	2,911,000	0.24
Bull, Stanley	Farm	2,889,000	0.24

M.S.D. OF NORTH POSEY COUNTY

General

M.S.D. of North Posey County encompasses approximately 143 square miles in Posey County, Indiana overlapping the Townships of Bethel, Center, Robb, Robinson and Smith; and includes the Towns of Cynthiana, Griffin, Wadesville and Poseyville. The 2000 population of the School District was 8,990.

The most recent audit by the State Board of Accounts was filed on March 21, 2003 for the period July 1, 2000 to June 30, 2002. The current audit period for the School District began July 1, 2002 and concluded on June 30, 2004.

School District Enrollment

The historic and projected total enrollments for M.S.D. of North Posey County are:

<u>School Year</u>	<u>Enrollment</u>
2000-2001	1,610
2001-2002	1,569
2002-2003	1,571
2003-2004	1,499
2004-2005*	1,470

*Estimated

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2004	\$ 325,687,030	N/ A	\$ 1.6112	\$ 5,928,213*	\$ 1,072,128*
2003	328,691,750**	98.61 %	1.3892	5,977,525	910,207
2002	246,111,915 ⁽¹⁾	100.27	1.5714 ⁽¹⁾	6,023,852	878,434
2001	81,275,653	101.06	4.6172	5,985,916	686,120
2000	80,074,603	100.20	4.4915	5,792,022	678,143

* Estimated

** Increase due to reassessment.

- (1) Prior to the 2001 Pay 2002 tax year, the State of Indiana used a real property valuation system that arrived at a full valuation designated as the True Tax Value that was then divided by three to arrive at the Assessed Value of the property. For the 2001 Pay 2002 tax year and subsequent years, property is valued at True Tax Value rather than Assessed Value.

M.S.D. OF NORTH POSEY COUNTY (Continued)

**Unaudited Receipts & Disbursements
Calendar Year 2003**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>
Receipts:			424,483			
Property Taxes	\$ 2,275,672	\$ 1,037,047	\$ 75,950	\$ 119,011	\$ 635,588	\$ 10,701
Bank & Excise	407,608	185,556	61,391	21,294	6,220	1,915
State Grants	5,728,054	28,580	5,282	-	-	159,500
Miscellaneous	2,567,037	-	-	-	108,561	-
Total	<u>\$ 10,978,371</u>	<u>\$ 1,251,183</u>	<u>\$ 567,106</u>	<u>\$ 140,305</u>	<u>\$ 750,369</u>	<u>\$ 172,116</u>
Disbursements	<u>\$ 10,978,707</u>	<u>\$ 1,080,688</u>	<u>\$ 669,754</u>	<u>\$ 106,000</u>	<u>\$ 545,504</u>	<u>\$ 169,426</u>

**Anticipated Receipts & Disbursements
Calendar Year 2004 Budget**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>
Receipts:						
Property Taxes	\$ 2,394,125	\$ 1,092,354	\$ 450,425	\$ 239,706	\$ 1,062,717	\$ 8,142
Bank & Excise	398,325	181,741	74,940	39,502	176,810	1,355
State Grants	5,893,605	-	-	-	-	16,608
Miscellaneous	137,040	68,407	72,081	2,445	10,944	84
Total	<u>\$ 8,823,095</u>	<u>\$ 1,342,502</u>	<u>\$ 597,446</u>	<u>\$ 281,653</u>	<u>\$ 1,250,471</u>	<u>\$ 26,189</u>
Disbursements	<u>\$ 8,795,942</u>	<u>\$ 1,097,938</u>	<u>\$ 695,659</u>	<u>\$ 286,600</u>	<u>\$ 1,447,890</u>	<u>\$ 55,864</u>

Year End Cash Balances

<u>As of Dec. 31</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>	<u>All Other</u>	<u>TOTAL</u>
2004*	\$ 500,050	\$ 668,850	\$ 105,755	\$ 52,895	\$ 511,906	\$ 34,176	\$ 312,000	\$ 2,185,632
2003	472,897	424,286	203,968	57,842	709,325	63,851	316,760	2,248,929
2002	473,233	253,791	306,616	23,537	504,460	61,161	358,598	1,981,396
2001	355,066	246,101	331,297	20,042	250,214	33,279	133,251	1,369,250
2000	397,453	229,852	261,898	8,368	239,957	45,423	44,087	1,227,038

* Estimated

M.S.D. OF NORTH POSEY COUNTY (Continued)

Current School District Indebtedness

General Obligation Bonds - Now Outstanding	\$ -
- Proposed Bonds	3,650,000
Lease Obligations	11,245,000
Veterans and Common School Loans	262,500
Total School District Indebtedness	<u>\$ 15,157,500</u>
Assessed Valuation (2003 Payable 2004)	\$ 325,687,030
Debt as a % of 2003/2004 Assessed Valuation	4.65%
Population as of Year 2000	8,990
Total School District Indebtedness Per Capita	\$ 1,686

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business or Product</u>	<u>2003 Pay 2004 Assessed Valuation</u>	<u>% of 2003/2004 Total Assessed Valuation</u>
Southern Indiana Gas & Electric Company, Inc.	Utility	\$ 8,696,810	2.67%
North American Green, Inc.	Sod Manufacturer	5,316,630	1.63%
Blankenberger Brothers, Inc.	Farm	3,930,710	1.21%
Broerman Chevrolet	Automobile Dealer	2,912,370	0.89%
Poseyville Farm Sales, Inc.	Farm Equipment	2,200,070	0.68%
Reeves Pork Farm	Pork Farm	2,086,250	0.64%
Mumford Farms, Inc.	Farm	1,607,150	0.49%
Cargill, Inc.	Soybean Processing	1,431,600	0.44%
Communications Corporation of Southern Indiana, Inc.	Utility	1,393,290	0.43%
Posey County Farm Bureau Co- op, Inc.	Farm Supplies, Petroleum Products	837,560	0.26%

MEDORA COMMUNITY SCHOOL CORPORATION

General

Medora Community School Corporation encompasses approximately 44 square miles in Jackson County, Indiana overlapping the Township of Carr, and includes the Town of Medora. The 2000 population of the School Corporation was 1,385.

The most recent audit by the State Board of Accounts was filed on August 18, 2004 for the period July 1, 2001 to June 30, 2003. The current audit period for the School Corporation began July 1, 2003 and will conclude on June 30, 2005.

School Corporation Enrollment

The historic and projected total enrollments for Medora Community School Corporation are:

<u>School Year</u>	<u>Enrollment</u>
2000-2001	307
2001-2002	287
2002-2003	263
2003-2004	289
2004-2005*	288

* Estimated

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2004	\$ 35,858,314*	N/A	\$ 2.7359*	\$ 1,582,154*	\$ 332,000*
2003	35,155,210**	100.03 % ⁽¹⁾	2.1042	1,469,776	332,000
2002	26,721,620 ⁽²⁾	100.63	2.3887 ⁽²⁾	1,445,189	332,000
2001	8,816,560	99.61	7.1455	1,440,621	332,000
2000	8,945,690	100.00	6.5583	1,367,390	332,000

* Estimated

** Increase due to reassessment.

(1) Includes 2002 Pay 2003 property taxes collected in 2004.

(2) Prior to the 2001 Pay 2002 tax year, the State of Indiana used a real property valuation system that arrived at a full valuation designated as the True Tax Value that was then divided by three to arrive at the Assessed Value of the property. For the 2001 Pay 2002 tax year and subsequent years, property is valued at True Tax Value rather than Assessed Value.

MEDORA COMMUNITY SCHOOL CORPORATION (Continued)

**Unaudited Receipts & Disbursements
Calendar Year 2003**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>
Receipts:						
Property Taxes	\$ 17,468	\$ 5,892	\$ 2,020	\$ 520	\$ 3,680	\$ 33
Bank & Excise	-	-	-	-	-	-
State Grants	1,487,642	-	11,509	-	-	7,172
Miscellaneous	457,747	274,801	47,764	5,195	37,549	331
Total	<u>\$ 1,962,857</u>	<u>\$ 280,693</u>	<u>\$ 61,293</u>	<u>\$ 5,715</u>	<u>\$ 41,229</u>	<u>\$ 7,536</u>
Disbursements	<u>\$ 2,064,486</u>	<u>\$ 337,399</u>	<u>\$ 72,535</u>	<u>\$ -</u>	<u>\$ 90,496</u>	<u>\$ 150</u>

**Anticipated Receipts & Disbursements
Calendar Year 2004 Budget (1)**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>
Receipts:						
Property Taxes	\$ 564,592	\$ 547,822	\$ 103,934	\$ 59,576	\$ 200,190	\$ 2,115
Bank & Excise	85,479	94,998	16,286	4,184	29,935	314
State Grants	1,594,816	-	-	-	-	-
Miscellaneous	37,810	28,515	24,034	-	-	-
Total	<u>\$ 2,282,697</u>	<u>\$ 671,335</u>	<u>\$ 144,254</u>	<u>\$ 63,760</u>	<u>\$ 230,125</u>	<u>\$ 2,429</u>
Disbursements	<u>\$ 1,984,532</u>	<u>\$ 342,000</u>	<u>\$ 77,946</u>	<u>\$ 48,000</u>	<u>\$ 162,518</u>	<u>\$ 8,599</u>

(1) Represents a current estimate and will be adjusted accordingly once actual budget numbers are certified. Also, includes 2003 property tax distributions received in 2004.

Year End Cash Balances

<u>As of Dec. 31</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>	<u>All Other</u>	<u>TOTAL</u>
2004*	\$ 318,035	\$ 271,664	\$ 56,955	\$ 46,763	\$ 123,238	\$ 28,770	\$ 91,557	\$ 936,982
2003	19,870	(57,671)	(9,353)	31,003	55,631	34,940	86,351	160,771
2002	121,499	(965)	1,889	25,288	104,898	27,554	106,130	386,293
2001	115,832	(40,831)	4,811	61,949	124,255	19,161	128,560	413,737
2000	159,965	(25,411)	14,295	44,756	93,490	13,766	125,191	426,052

* Estimated

MEDORA COMMUNITY SCHOOL CORPORATION (Continued)

Current School Corporation Indebtedness

General Obligation Bonds - Now Outstanding	\$ -
- Proposed Bonds	453,000
Lease Obligations	3,950,000
Veterans and Common School Loans	-
Total School Corporation Indebtedness	<u>\$ 4,403,000</u>
Assessed Valuation (2002 Payable 2003)	\$ 35,155,210
Debt as a % of 2002/2003 Assessed Valuation	12.52%
Population as of Year 2000	1,385
Total School Corporation Indebtedness Per Capita	\$ 3,179

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business or Product</u>	2002 Pay 2003 Assessed <u>Valuation</u>	% of 2002/2003 Total Assessed <u>Valuation</u>
CSX Transportation	Railroad	\$ 835,870	2.38%
Texas Eastern	Utility	712,950	2.03
Hill Farms, Inc.	Farming	702,830	2.00
Mitchell & Stark	Construction	685,450	1.95
Jackson County REMC	Utility	518,470	1.47
Bundy Brothers & Sons	Feed Mill	484,270	1.38
T.E. Products Pipeline	Utility	453,380	1.29
PSI	Utility	415,350	1.18
R.L. Zollman Farms	Farming	414,270	1.18
Verizon North	Utility	362,350	1.03

MILL CREEK COMMUNITY SCHOOL CORPORATION

General

Mill Creek Community School Corporation encompasses approximately 150 square miles in Hendricks County, Indiana overlapping the Townships of Clay, Franklin and Liberty; and includes the Towns of Amo, Belleville, Cartersburg, Clayton, Coatesville and Stilesville. The 2003 population of the School Corporation was 10,222.

The most recent audit by the State Board of Accounts was filed on May 14, 2004 for the period July 1, 2001 to June 30, 2003. The current audit period for the School Corporation began July 1, 2003 and will conclude on June 30, 2005.

School Corporation Enrollment

The historic and projected total enrollments for Mill Creek Community School Corporation are:

<u>School Year</u>	<u>Enrollment</u>
2000-2001	1,571
2001-2002	1,587
2002-2003	1,569
2003-2004	1,567
2004-2005*	1,574

*Estimated

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2004	\$ 395,760,989	N/A	\$ 1.4392	\$ 5,737,795*	\$ 2,132,237*
2003	397,628,617**	99.86%	1.2235	6,460,787	2,142,693
2002	207,080,270 ⁽¹⁾	101.46	2.3988 ⁽¹⁾	6,259,747	2,137,972
2001	68,660,930	98.55	6.7888	6,182,479	2,113,282
2000	66,675,504	101.22	6.6402	5,982,012	1,838,928

* Estimated

** Increase due to reassessment.

- (1) Prior to the 2001 Pay 2002 tax year, the State of Indiana used a real property valuation system that arrived at a full valuation designated as the True Tax Value that was then divided by three to arrive at the Assessed Value of the property. For the 2001 Pay 2002 tax year and subsequent years, property is valued at True Tax Value rather than Assessed Value.

MILL CREEK COMMUNITY SCHOOL CORPORATION (Continued)

**Unaudited Receipts & Disbursements
Calendar Year 2003**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>
Receipts:						
Property Taxes	\$ 1,306,627	\$ 1,360,619	\$ 424,326	\$ 92,719	\$ 610,528	\$ 5,168
Bank & Excise	446,681	457,923	138,466	32,141	195,874	1,989
State Grants	5,865,109	28,229	139,749	-	-	62,528
Miscellaneous	2,447,844	739,284	1,105	-	528,773	11,384
Total	<u>\$ 10,066,261</u>	<u>\$ 2,586,055</u>	<u>\$ 703,646</u>	<u>\$ 124,860</u>	<u>\$ 1,335,175</u>	<u>\$ 81,069</u>
Disbursements	<u>\$ 9,999,817</u>	<u>\$ 2,726,904</u>	<u>\$ 802,993</u>	<u>\$ -</u>	<u>\$ 1,306,132</u>	<u>\$ 61,251</u>

**Anticipated Receipts & Disbursements
Calendar Year 2004 Budget**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>
Receipts:						
Property Taxes	\$ 1,997,801	\$ 2,022,339	\$ 578,129	\$ 222,813	\$ 897,982	\$ 6,728
Bank & Excise	364,662	369,142	100,052	40,671	163,910	1,229
State Grants	5,666,494	-	-	-	-	39,626
Miscellaneous	-	-	-	-	-	-
Total	<u>\$ 8,028,957</u>	<u>\$ 2,391,481</u>	<u>\$ 678,181</u>	<u>\$ 263,484</u>	<u>\$ 1,061,892</u>	<u>\$ 47,583</u>
Disbursements	<u>\$ 7,786,031</u>	<u>\$ 2,187,483</u>	<u>\$ 967,822</u>	<u>\$ 346,000</u>	<u>\$ 1,335,398</u>	<u>\$ 106,059</u>

Year End Cash Balances

<u>As of Dec. 31</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>	<u>All Other</u>	<u>TOTAL</u>
2004*	\$ 632,410	\$ 429,874	\$ 140,327	\$ 153,790	\$ 40,403	\$ 22,689	\$ 200,000	\$ 1,619,493
2003	389,484	225,876	429,968	236,306	313,909	81,165	375,499	2,052,207
2002	323,040	366,725	529,315	111,446	284,866	61,347	314,959	1,991,698
2001	571,801	224,305	392,822	27,013	228,123	55,838	222,677	1,722,579
2000	612,143	241,785	358,612	3,202	205,561	15,548	222,550	1,659,401

* Estimated

MILL CREEK COMMUNITY SCHOOL CORPORATION (Continued)

Current School Corporation Indebtedness

General Obligation Bonds - Now Outstanding	\$ -
- Proposed Bonds	2,900,000
Lease Obligations	17,165,000 (1)
Veterans and Common School Loans	11,830,347
Total School Corporation Indebtedness	<u>\$ 31,895,347</u>
Assessed Valuation (2003 Payable 2004)	\$ 395,760,989
Assessed Valuation (2002 Payable 2003)	\$ 397,628,617
Debt as a % of 2003/2004 Assessed Valuation	8.06%
Population as of July 2003	10,222
Total School Corporation Indebtedness Per Capita	\$ 3,120

- (1) The School Corporation recently issued a Bond Anticipation Note in the amount of \$650,000 which will be redeemed by a \$2,425,000 bond issue which is included in this total.

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business or Product</u>	2002 Pay 2003 Assessed <u>Valuation</u>	% of 2002/2003 Total Assessed <u>Valuation</u>
Martin Merlin	Farm	\$ 4,825,120	1.21%
Ray's Trash Service	Trash Service	4,516,150	1.14
Hendrick's County REMC	Electric Utility	3,764,130	0.95
Breneman Farms, Inc.	Farm	3,371,330	0.85
Communications Corp. of Indiana	Telephone Utility	2,737,340	0.69
Deer Creek Golf Course	Golf Course	1,576,780	0.40
Liberty Water Corporation	Water Utility	1,381,060	0.35
Wabash Valley Power Assn.	Electric Utility	1,330,430	0.33
Marvin Martin Farms, Inc.	Farm	738,200	0.19
Cinergy, Inc.	Electric Utility	735,850	0.19

MONROE CENTRAL SCHOOL CORPORATION

General

Monroe Central School Corporation encompasses approximately 86 square miles in Randolph County, Indiana overlapping the Townships of Green, Monroe and Stoney Creek; and includes the Towns of Parker City, Farmland and a small portion of Albany. The 2000 population of the School Corporation was 5,999.

The most recent audit by the State Board of Accounts was filed on January 24, 2004 for the period July 1, 2001 to June 30, 2003. The current audit period for the School Corporation began July 1, 2003 and will conclude on June 30, 2005.

School Corporation Enrollment

The historic and projected total enrollments for Monroe Central School Corporation are:

<u>School Year</u>	<u>Enrollment</u>
2000-2001	1,070
2001-2002	1,078
2002-2003	1,065
2003-2004	1,053
2004-2005*	1,040

*Estimated

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2004	\$179,642,490	N/A	\$ 1.2641	\$ 4,602,856*	\$ 545,607*
2003	179,982,448**	100.61 %	1.3435	4,987,982	704,872
2002	113,374,554 ⁽¹⁾	101.83	1.7400 ⁽¹⁾	4,930,323	425,020
2001	37,877,799	99.25	5.6262	4,717,175	440,558
2000	37,569,582	100.00	5.1401	4,545,062	281,549

* Estimated

** Increase due to reassessment.

- (1) Prior to the 2001 Pay 2002 tax year, the State of Indiana used a real property valuation system that arrived at a full valuation designated as the True Tax Value that was then divided by three to arrive at the Assessed Value of the property. For the 2001 Pay 2002 tax year and subsequent years, property is valued at True Tax Value rather than Assessed Value.

MONROE CENTRAL SCHOOL CORPORATION (Continued)

Unaudited Receipts & Disbursements Calendar Year 2003

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>
Receipts:						
Property Taxes	\$ 825,200	\$ 387,200	\$ 241,200	\$ 57,750	\$ 317,200	\$ 4,360
Bank & Excise	85,801	40,262	25,081	6,014	32,984	454
State Grants	4,580,402	-	106,007	-	-	42,463
Miscellaneous	2,833,535	15,535	158,514	2,302	19,417	242
Total	<u>\$ 8,324,938</u>	<u>\$ 442,997</u>	<u>\$ 530,802</u>	<u>\$ 66,066</u>	<u>\$ 369,601</u>	<u>\$ 47,519</u>
Disbursements	<u>\$ 8,771,470</u>	<u>\$ 742,059</u>	<u>\$ 542,617</u>	<u>\$ 55,634</u>	<u>\$ 338,865</u>	<u>\$ 46,750</u>

Anticipated Receipts & Disbursements Calendar Year 2004 Budget

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>
Receipts:						
Property Taxes (1)	\$ 1,423,453	\$ 608,983	\$ 410,569	\$ 34,657	\$ 387,465	\$ 5,028
Bank & Excise	194,092	81,252	55,800	2,630	47,730	604
State Grants	4,568,128	-	-	-	-	34,728
Miscellaneous	45,602	-	119,000	35,150	21,400	-
Total	<u>\$ 6,231,275</u>	<u>\$ 690,235</u>	<u>\$ 585,369</u>	<u>\$ 72,437</u>	<u>\$ 456,595</u>	<u>\$ 40,360</u>
Disbursements	<u>\$ 6,179,452</u>	<u>\$ 545,607</u>	<u>\$ 537,424</u>	<u>\$ 74,850</u>	<u>\$ 533,600</u>	<u>\$ 26,534</u>

(1) Includes 2003 property tax distributions received in 2004 and thus not reported on the 2004 budget order.

Year End Cash Balances

<u>As of Dec. 31</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>	<u>All Other</u>	<u>TOTAL</u>
2004*	\$ 122,818	\$ 205,611	\$ 55,375	\$ 8,148	\$ 13,084	\$ 18,244	\$ 40,000	\$ 463,280
2003	70,995	60,983	7,430	10,561	90,089	4,418	7,736	252,212
2002	517,527	360,045	19,245	129	59,353	3,649	(30,770)	929,178
2001	532,170	337,849	-	129	143,189	3,070	92,041	1,108,448
2000	512,222	187,376	23,939	6,547	32,393	2,423	93,229	858,129

* Estimated

MONROE CENTRAL SCHOOL CORPORATION (Continued)

Current School Corporation Indebtedness

General Obligation Bonds - Now Outstanding	\$ -
- Proposed Bonds	1,745,000
Lease Obligations	1,070,410
Veterans and Common School Loans	2,080,347
Total School Corporation Indebtedness	<u>\$ 4,895,757</u>
Assessed Valutation (2003 Payable 2004)	\$ 179,642,490
Debt as a % of 2003/2004 Assessed Valuation	2.73%
Population as of Year 2000	5,999
Total School Corporation Indebtedness Per Capita	\$ 816

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business or Product</u>	2003 Pay 2004 Assessed Valuation	% of 2003/2004 Total Assessed Valuation
Chalfant Farms	Farm	\$ 1,079,900	0.60%
Danny and Diane Huston	Farm	1,004,200	0.56
Johnny A. Morris	Farm	828,900	0.46
Shafer Sup. Genetics	Swine Seed Stock	820,700	0.46
J.D. and R. Puckett	Farm	788,750	0.44
Calvin and Kay Weatherly	Farm	710,000	0.40
Central Mfg., Inc.	Metal Stamping	683,300	0.38
Dale A. Hendrickson	Farm	591,400	0.33
Kevin and Debbie West	Farm	568,250	0.32
James S. Buckner	Farm	519,600	0.29

MUNCIE COMMUNITY SCHOOLS

General

Muncie Community Schools encompasses approximately 36 square miles in Delaware County overlapping Center Township and includes the majority of the City of Muncie. The 2003 population of the School Corporation was 69,584.

The most recent audit by the State Board of Accounts was filed on April 10, 2003 for the period July 1, 2000 to June 30, 2002. The current audit period for the School Corporation began July 1, 2002 and concluded on June 30, 2004.

School Corporation Enrollment

The historic and projected total enrollments for Muncie Community Schools are:

<u>School Year</u>	<u>Enrollment</u>
2000-2001	8,418
2001-2002	8,421
2002-2003	8,166
2003-2004	8,075
2004-2005*	7,968

*Estimated

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2004	\$1,915,375,865 ⁽¹⁾	N/A	\$ 1.5622	\$35,315,152*	\$3,620,348*
2003	2,074,929,040**	100.23%	1.4766	38,836,823	3,617,348
2002	1,405,981,831 ⁽²⁾	97.64	1.9227 ⁽²⁾	41,067,553	3,619,685
2001	461,742,840	100.36	5.4609	41,444,840	3,621,160
2000	450,056,827	100.97	5.4550	41,157,688	3,621,800

* Estimated

** Increase due to reassessment.

- (1) Decrease due in part to the expanded application of interstate commerce exemption for inventory.
- (2) Prior to the 2001 Pay 2002 tax year, the State of Indiana used a real property valuation system that arrived at a full valuation designated as the True Tax Value that was then divided by three to arrive at the Assessed Value of the property. For the 2001 Pay 2002 tax year and subsequent years, property is valued at True Tax Value rather than Assessed Value.

**Unaudited Receipts & Disbursements
Calendar Year 2003**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>
Receipts:						
Property Taxes	\$ 16,440,519	\$ 5,084,815	\$ 2,746,601	\$ 92,087	\$ 5,120,849	\$ 66,063
Bank & Excise	1,303,357	402,888	217,622	7,296	405,743	5,234
State Grants	35,572,804	-	51,419	-	-	360,360
Miscellaneous	16,544,651	-	5,490	-	8,708	295,461
Total	<u>\$ 69,861,331</u>	<u>\$ 5,487,703</u>	<u>\$ 3,021,132</u>	<u>\$ 99,383</u>	<u>\$ 5,535,300</u>	<u>\$ 727,118</u>
Disbursements	<u>\$ 68,948,741</u>	<u>\$ 4,463,012</u>	<u>\$ 2,165,379</u>	<u>\$ -</u>	<u>\$ 5,193,116</u>	<u>\$ 755,600</u>

**Anticipated Receipts & Disbursements
Calendar Year 2004 Budget**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>
Receipts:						
Property Taxes	\$ 17,468,228	\$ 4,083,581	\$ 2,867,318	\$ -	\$ 5,456,906	\$ 45,969
Bank & Excise	1,360,693	318,243	223,456	-	425,887	3,583
State Grants	35,878,360	-	-	-	-	396,622
Miscellaneous	1,125,094	-	32,592	-	3,000	377,000
Total	<u>\$ 55,832,375</u>	<u>\$ 4,401,824</u>	<u>\$ 3,123,366</u>	<u>\$ -</u>	<u>\$ 5,885,793</u>	<u>\$ 823,174</u>
Disbursements	<u>\$ 56,183,750</u>	<u>\$ 3,866,000</u>	<u>\$ 2,575,000</u>	<u>\$ 100,000</u>	<u>\$ 5,888,707</u>	<u>\$ 954,725</u>

Year End Cash Balances

<u>As of Dec. 31</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>	<u>All Other</u>	<u>TOTAL</u>
2004*	\$ 6,003,655	\$ 1,576,460	\$ 1,760,485	\$ 154,698	\$ 1,981,920	\$ 237,887	\$ 1,284,895	\$ 13,000,000
2003	6,355,030	1,040,636	1,212,119	254,698	1,984,834	369,438	2,067,072	13,283,827
2002	5,442,440	15,945	356,366	155,315	1,642,650	397,920	1,893,715	9,904,351
2001	5,070,761	186,604	181,340	88,526	2,037,457	448,899	3,508,501	11,522,088
2000	5,991,000	115,071	345,963	43,208	1,069,769	490,054	1,535,603	9,590,668

* Estimated

MUNCIE COMMUNITY SCHOOLS (Continued)

Current School Corporation Indebtedness

General Obligation Bonds - Now Outstanding	\$ -
- Proposed Bonds	6,000,000
Lease Obligations	27,210,000
Veterans and Common School Loans	-
Total School Corporation Indebtedness	<u>\$ 33,210,000</u>
Assessed Valuation (2003 Payable 2004)	\$1,915,375,865
Assessed Valuation (2002 Payable 2003)	\$2,074,929,040
Debt as a % of 2003/2004 Assessed Valuation	1.73%
Population as of July 2003	69,584
Total School Corporation Indebtedness Per Capita	\$ 477

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business or Product</u>	2002 Pay 2003 Assessed <u>Valuation</u>	% of 2002/2003 Total Assessed <u>Valuation</u>
Manual Transmission of Muncie, LLC	Manual Transmissions	\$ 129,651,780	6.25%
Simon Property Group	Muncie Mall- Real Estate	33,366,900	1.61
Ameritech	Telephone Utility	24,594,500	1.19
Indiana - American Water	Water Utility	19,049,350	0.92
Spartech Plastics	Plastic Containers	17,677,360	0.85
Indiana Gas Company	Natural Gas Utility	16,683,670	0.80
Wal-Mart Stores, Inc.	Retail Discount Store	16,183,340	0.78
Delaware Machinery & Tool Co.	Die-Cast Dies	15,466,140	0.75
Duffy Tool & Stamping	Tool and Die Stamping	13,828,680	0.67
Indiana - Michigan Power	Electric Utility	12,900,320	0.62

NEW CASTLE COMMUNITY SCHOOL CORPORATION

General

New Castle Community School Corporation encompasses approximately 54 square miles in Henry County, Indiana overlapping the Townships of Henry and a portion of Liberty; and includes the City of New Castle. The 2000 population of the School Corporation was 25,700.

The most recent audit by the State Board of Accounts was filed on February 17, 2004 for the period July 1, 2001 to June 30, 2003. The current audit period for the School Corporation began July 1, 2003 and will conclude on June 30, 2005.

School Corporation Enrollment

The historic and projected total enrollments for New Castle Community School Corporation are:

<u>School Year</u>	<u>Enrollment</u>
2000-2001	3,988
2001-2002	3,967
2002-2003	3,921
2003-2004	3,923
2004-2005*	3,900

*Estimated

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2004	\$ 740,463,540 ⁽¹⁾	N/A	\$1.5590	\$ 18,634,839*	\$ 2,531,116*
2003	797,227,560**	36.37% ⁽²⁾	1.4295	18,829,403	2,534,000
2002	526,850,980 ⁽³⁾	102.25%	2.0096 ⁽³⁾	18,605,963	2,534,000
2001	170,990,980	99.07%	5.9965	18,208,006	2,470,000
2000	174,306,435	97.09%	5.7371	17,234,715	2,400,000

* Estimated

** Increase due to reassessment.

- (1) Decrease due in part to incorrect assessments and appeals.
- (2) Reflects payments of 2002 Pay 2003 property taxes through 2003. Additional 2002 Pay 2003 property taxes will be collected in 2004 as a result of delays in mailing property tax bills due to reassessment.
- (3) Prior to the 2001 Pay 2002 tax year, the State of Indiana used a real property valuation system that arrived at a full valuation designated as the True Tax Value that was then divided by three to arrive at the Assessed Value of the property. For the 2001 Pay 2002 tax year and subsequent years, property is valued at True Tax Value rather than Assessed Value.

NEW CASTLE COMMUNITY SCHOOL CORPORATION (Continued)

**Unaudited Receipts & Disbursements
Calendar Year 2003**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>
Receipts:						
Property Taxes	\$ 2,180,000	\$ 895,000	\$ 400,000	\$ -	\$ 670,000	\$ -
Bank & Excise	60,883	24,891	15,174	1,392	20,966	287
State Grants	18,114,803	68,897	53,899	-	-	231,487
Miscellaneous	2,821,632	347,980	640,777	-	-	-
Total	<u>\$ 23,177,318</u>	<u>\$ 1,336,768</u>	<u>\$ 1,109,850</u>	<u>\$ 1,392</u>	<u>\$ 690,966</u>	<u>\$ 231,774</u>
Disbursements	<u>\$ 23,762,622</u>	<u>\$ 2,574,917</u>	<u>\$ 1,698,957</u>	<u>\$ 149,700</u>	<u>\$ 1,371,401</u>	<u>\$ 250,985</u>

**Anticipated Receipts & Disbursements
Calendar Year 2004 Budget**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>
Receipts:						
Property Taxes (1)	\$ 9,473,186	\$ 3,887,841	\$ 2,580,925	\$ 273,125	\$ 3,489,568	\$ 44,801
Bank & Excise	736,381	303,521	193,666	17,722	272,974	2,155
State Grants	18,402,129	-	-	-	-	236,710
Miscellaneous	481,149	-	-	-	-	-
Total	<u>\$ 29,092,845</u>	<u>\$ 4,191,362</u>	<u>\$ 2,774,591</u>	<u>\$ 290,847</u>	<u>\$ 3,762,542</u>	<u>\$ 283,666</u>
Disbursements (2)	<u>\$ 27,475,939</u>	<u>\$ 3,009,696</u>	<u>\$ 2,352,514</u>	<u>\$ 167,000</u>	<u>\$ 2,569,484</u>	<u>\$ 253,000</u>

(1) Includes 2003 property tax distributions received in 2004.

(2) Includes 2003 tax anticipation warrants repaid in 2004.

Year End Cash Balances

<u>As of Dec. 31</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>	<u>All Other</u>	<u>TOTAL</u>
2004*	\$ 3,111,715	\$ 869,871	\$ 372,185	\$ 150,413	\$ 2,027,022	\$ 115,433	\$ 500,000	\$ 7,146,639
2003	1,494,809	(311,795)	(49,892)	26,566	833,964	84,767	272,455	2,350,874
2002	2,080,113	926,354	539,215	174,874	1,514,399	103,978	483,127	5,822,060
2001	3,071,334	832,170	537,247	157,669	1,560,079	101,074	569,900	6,829,473
2000	3,496,851	550,281	470,234	149,741	1,858,935	98,976	162,918	6,787,936

* Estimated

NEW CASTLE COMMUNITY SCHOOL CORPORATION (Continued)

Current School Corporation Indebtedness

General Obligation Bonds - Now Outstanding	\$ -
- Proposed Bonds	5,000,000
Lease Obligations	7,580,000
Veterans and Common School Loans	12,282,200
Total School Corporation Indebtedness	<u>\$ 24,862,200</u>
Assessed Valuation (2003 Payable 2004)	\$ 740,463,540
Debt as a % of 2003/2004 Assessed Valuation	3.36%
Population as of Year 2000	25,700
Total School Corporation Indebtedness Per Capita	\$ 967

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business or Product</u>	2003 Pay 2004 Assessed <u>Valuation</u>	% of 2003/2004 Total Assessed <u>Valuation</u>
Chrysler	Automotive Parts	\$ 66,216,090	8.94%
Wal-Mart Stores	Retail	11,653,280	1.57
PSI Energy	Utility	10,030,960	1.35
Allegheny Ludlum	Cold Rolled Steel	9,836,090	1.33
Avesta	Stainless Steel Plate	9,736,900	1.31
Grede Foundries	Ductile Iron Castings	7,905,260	1.07
Indiana Bell	Utility	5,701,060	0.77
Indiana Gas	Utility	5,182,220	0.70
Goodwin Brothers	Automotive	4,118,530	0.56
Nelson Co.	Apartments	2,833,410	0.38

NORTH DAVIESS COMMUNITY SCHOOLS

General

North Daviess Community Schools encompasses approximately 182 square miles in Daviess County, Indiana. The School District includes the Townships of Bogard, Elmore, Madison, Steele and VanBuren and the Towns of Elnora, Odon and Plainville. The 2000 population of the School Corporation was 10,717.

The most recent audit by the State Board of Accounts was filed on March 26, 2003 for the period July 1, 2000 to June 30, 2002. The current audit period for the School Corporation began July 1, 2002 and concluded on June 30, 2004.

School Corporation Enrollment

The historic and projected total enrollments for North Daviess Community Schools are:

<u>School Year</u>	<u>Enrollment</u>
2000-2001	1,176
2001-2002	1,154
2002-2003	1,117
2003-2004	1,114
2004-2005*	1,128

* Estimated

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2004	\$307,157,362	N/ A	\$ 1.4454	\$ 4,365,416*	\$ 465,000*
2003	311,647,515**	98.92%	1.3721	4,430,832	445,000
2002	207,344,584 ⁽¹⁾	99.00	1.9637 ⁽¹⁾	4,327,192	425,000
2001	66,662,765	100.21	5.4643	4,257,019	-
2000	65,055,500	99.46	4.6797	3,943,042	-

* Estimated

** Increase due to reassessment.

- (1) Prior to the 2001 Pay 2002 tax year, the State of Indiana used a real property valuation system that arrived at a full valuation designated as the True Tax Value that was then divided by three to arrive at the Assessed Value of the property. For the 2001 Pay 2002 tax year and subsequent years, property is valued at True Tax Value rather than Assessed Value.

NORTH DAVIESS COMMUNITY SCHOOLS (Continued)

Unaudited Receipts & Disbursements Calendar Year 2003

	General Fund	Debt Service Fund	Transportation Fund	Bus Replacement Fund	Capital Projects Fund	Special Ed Pre-School
Receipts:						
Property Taxes	\$ 1,138,904	\$ 563,269	\$ 284,851	\$ -	\$ 393,953	\$ 4,754
Bank & Excise	188,440	91,878	45,747	-	67,255	596
State Grants	4,190,228	19,656	41,230	-	-	26,064
Miscellaneous	218,435	-	232	-	13,629	-
Total	<u>\$ 5,736,007</u>	<u>\$ 674,803</u>	<u>\$ 372,060</u>	<u>\$ -</u>	<u>\$ 474,837</u>	<u>\$ 31,414</u>
Disbursements	<u>\$ 6,562,388</u>	<u>\$ 1,198,000</u>	<u>\$ 499,311</u>	<u>\$ -</u>	<u>\$ 792,374</u>	<u>\$ 30,250</u>

Anticipated Receipts & Disbursements Calendar Year 2004 Budget

	General Fund	Debt Service Fund	Transportation Fund	Bus Replacement Fund	Capital Projects Fund	Special Ed Pre-School
Receipts:						
Property Taxes (1)	\$ 3,065,381	\$ 1,449,692	\$ 763,916	\$ -	\$ 1,135,676	\$ 11,454
Bank & Excise	357,256	173,077	90,288	-	132,745	1,176
State Grants	4,116,215	-	-	-	-	28,685
Miscellaneous	65,320	-	-	-	-	-
Total	<u>\$ 7,604,172</u>	<u>\$ 1,622,769</u>	<u>\$ 854,204</u>	<u>\$ -</u>	<u>\$ 1,268,421</u>	<u>\$ 41,315</u>
Disbursements	<u>\$ 7,252,500</u>	<u>\$ 1,199,000</u>	<u>\$ 998,500</u>	<u>\$ -</u>	<u>\$ 1,026,957</u>	<u>\$ 35,750</u>

(1) Includes Pay 2003 property tax receipts.

Year End Cash Balances

As of Dec. 31	General Fund	Debt Service Fund	Transportation Fund	Bus Replacement Fund	Capital Projects Fund	Special Ed Pre-School	All Other	TOTAL
2004*	\$ 920,866	\$ 1,112	\$ 243,208	\$ 43,913	\$ 101,363	\$ 36,983	\$ 397,019	\$ 1,744,464
2003	569,194	(422,657)	387,504	43,913	(140,101)	31,418	397,018	866,289
2002	1,395,575	100,540	514,755	43,913	177,436	30,254	399,190	2,661,663
2001	1,373,328	171,129	461,210	43,913	971,502	23,960	494,507	3,539,549
2000	1,190,554	162,422	395,129	41,698	722,418	20,432	418,065	2,950,718

* Estimated

NORTH DAVIESS COMMUNITY SCHOOLS (Continued)

Current School Corporation Indebtedness

General Obligation Bonds - Now Outstanding	\$ -
- Proposed Bonds	1,450,000
Lease Obligations	13,180,000
Veterans and Common School Loans	-
Total School Corporation Indebtedness	<u>\$ 14,630,000</u>
Assessed Valuation (2003 Payable 2004)	\$ 307,157,362
Debt as a % of 2003/2004 Assessed Valuation	4.76%
Population as of Year 2000	10,717
Total School Corporation Indebtedness Per Capita	\$ 1,365

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business or Product</u>	2003 Pay 2004 <u>Assessed Valuation</u>	% of 2003/2004 <u>Total Assessed Valuation</u>
Graber Post Buildings	Construction	\$ 10,491,120	3.42%
Glen S. & Mary Jane Graber	Personal Property	2,670,500	0.87
K & K Industries, Inc.	Construction	2,356,500	0.77
Cornelius Manufacturing, Inc.	Stock Trailers	1,174,540	0.38
Pliant Corporation	Co-Extruded Film	1,085,750	0.35
Amos & Barbara Musselman	Personal Property	1,032,200	0.34
First National Bank of Odon	Financial Institution	962,500	0.31
Stoll Brothers Lumber, Inc.	Lumber	884,360	0.29
Boyd, Inc.	Trucking Company	818,500	0.27
Century Telephone Company	Communication Services	789,480	0.26

NORTH WHITE COMMUNITY SCHOOL CORPORATION

General

North White Community School Corporation encompasses approximately 129 square miles in White County, Indiana overlapping the Townships of Honey Creek, Liberty and Monon; and includes the Towns of Reynolds, Monon and Buffalo. The 2000 population of the School Corporation was 6,230.

The most recent audit by the State Board of Accounts was filed on March 10, 2004 for the period July 1, 2001 to June 30, 2003. The current audit period for the School Corporation began July 1, 2003 and will conclude on June 30, 2005.

School Corporation Enrollment

The historic and projected total enrollments for North White Community School Corporation are:

<u>School Year</u>	<u>Enrollment</u>
2000-2001	1,139
2001-2002	1,115
2002-2003	1,079
2003-2004	1,026
2004-2005*	1,016

*Estimated

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2004	\$ 365,969,686 ⁽¹⁾	N/A	\$ 1.4951	\$ 3,455,400*	\$ 1,456,010*
2003	385,703,870**	88.98 % ⁽²⁾⁽³⁾	1.2510	3,601,521	1,337,274
2002	243,275,005 ⁽⁴⁾	95.88 ⁽³⁾	2.0531 ⁽⁴⁾	3,546,541	1,487,383
2001	80,028,047	96.24 ⁽³⁾	5.0927	3,547,782	786,756
2000	78,286,927	102.49	5.3000	3,357,664	1,079,264

* Estimated

** Increase due to reassessment.

- (1) Decrease due in part to appeals of reassessment.
- (2) Reflects payments of 2002 Pay 2003 property taxes through 2003. Additional 2002 Pay 2003 property taxes will be collected in 2004 as a result of delays in mailing property tax bills due to reassessment.
- (3) Low collections due in part to a taxpayer declaring bankruptcy. The business has subsequently been purchased and is no longer in bankruptcy.
- (4) Prior to the 2001 Pay 2002 tax year, the State of Indiana used a real property valuation system that arrived at a full valuation designated as the True Tax Value that was then divided by three to arrive at the Assessed Value of the property. For the 2001 Pay 2002 tax year and subsequent years, property is valued at True Tax Value rather than Assessed Value.

NORTH WHITE COMMUNITY SCHOOL CORPORATION (Continued)

Unaudited Receipts & Disbursements Calendar Year 2003

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed <u>Pre-School</u>
Receipts:						
Property Taxes	\$ 707,913	\$ 538,422	\$ 162,930	\$ 39,431	\$ 301,890	\$ 2,860
Bank & Excise	312,650	155,921	45,828	11,067	86,147	817
State Grants	3,601,521	4,429	16,516	-	1,262	4,593
Miscellaneous	3,655,172	155,616	366,258	-	598,460	-
Total	<u>\$ 8,277,256</u>	<u>\$ 854,388</u>	<u>\$ 591,532</u>	<u>\$ 50,498</u>	<u>\$ 987,759</u>	<u>\$ 8,270</u>
Disbursements	<u>\$ 8,380,743</u>	<u>\$ 1,408,024</u>	<u>\$ 690,111</u>	<u>\$ 166,432</u>	<u>\$ 997,448</u>	<u>\$ 700</u>

Anticipated Receipts & Disbursements Calendar Year 2004 Budget

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed <u>Pre-School</u>
Receipts:						
Property Taxes	\$ 2,349,159	\$ 1,610,267	\$ 483,812	\$ 168,712	\$ 852,343	\$ 7,319
Bank & Excise	203,596	139,527	41,931	14,623	73,871	635
State Grants	3,578,562	-	-	-	-	11,565
Miscellaneous	17,960	-	-	-	-	-
Total	<u>\$ 6,149,277</u>	<u>\$ 1,749,794</u>	<u>\$ 525,743</u>	<u>\$ 183,335</u>	<u>\$ 926,214</u>	<u>\$ 19,519</u>
Disbursements	<u>\$ 6,170,477</u>	<u>\$ 1,547,324</u>	<u>\$ 514,659</u>	<u>\$ 191,250</u>	<u>\$ 936,466</u>	<u>\$ 39,315</u>

Year End Cash Balances

As of <u>Dec. 31</u>	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed <u>Pre-School</u>	All <u>Other</u>	<u>TOTAL</u>
2004*	\$ 6,859	\$ 153,972	\$ 241	\$ 70,590	\$ 200,061	\$ 4,452	\$ 26,938	\$ 463,113
2003	28,059	(48,498)	(10,843)	78,505	210,313	24,248	(42,488)	239,296
2002	131,544	505,138	87,736	194,439	220,002	16,678	20,980	1,176,517
2001	(477,377)	257,582	92,512	151,936	6,135	-	66,253	97,041
2000	(492,714)	658,638	83,472	79,838	3,086	6,507	43,009	381,836

* Estimated

NORTH WHITE COMMUNITY SCHOOL CORPORATION (Continued)

Current School Corporation Indebtedness

General Obligation Bonds - Now Outstanding	\$ 850,000
- Proposed Bonds	1,600,000
Lease Obligations	7,334,900
Veterans and Common School Loans	198,415
Total School Corporation Indebtedness	<u>\$ 9,983,315</u>
Assessed Valuation (2003 Payable 2004)	\$ 365,969,686
Debt as a % of 2003/2004 Assessed Valuation	2.73%
Population as of Year 2000	6,230
Total School Corporation Indebtedness Per Capita	\$ 1,602

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business or Product</u>	2003 Pay 2004 Assessed <u>Valuation</u>	% of 2003/2004 Total Assessed <u>Valuation</u>
Vanguard	Semi Trailers	\$ 14,863,300	4.06%
Rose Acre Farms, Inc.	Egg Farm	5,213,300	1.42
Diener Brothers, Inc.	Seed Corn	2,256,900	0.62
Girtz Industries, Inc.	Truck Bodies	1,644,700	0.45
Hornback Company, LP	Construction	1,612,800	0.44
Thayer, Inc.	Farming	1,510,300	0.41
Ronald L. Allen	Personal	1,478,200	0.40
NIPSCO	Electric Utility	1,473,700	0.40
Richel Enterprises, Inc.	Farming	1,248,700	0.34
MKR Farms, LP	Hog Operation	1,177,600	0.32

NORTHERN WELLS COMMUNITY SCHOOLS

General

Northern Wells Community Schools encompasses approximately 165 square miles in Wells County, Indiana overlapping the Townships of Jefferson, Lancaster, Rockcreek and Union; and includes the City of Bluffton; and the Towns of Ossian, Markle, Uniondale and Zanesville. The 2004 population of the School District was 15,050.

The most recent audit by the State Board of Accounts was filed on March 21, 2003 for the period July 1, 2000 to June 30, 2002. The current audit period for the School District began July 1, 2002 and concluded on June 30, 2004.

School District Enrollment

The historic and projected total enrollments for Northern Wells Community Schools are:

<u>School Year</u>	<u>Enrollment</u>
2000-2001	2,714
2001-2002	2,698
2002-2003	2,617
2003-2004	2,602
2004-2005*	2,568

*Estimated

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2004	\$630,010,865 ⁽¹⁾	N/A	\$ 1.5408	\$ 9,613,439*	\$ 2,393,437*
2003	660,332,375**	97.26% ⁽²⁾	1.1629	9,197,221	1,817,554
2002	398,527,452 ⁽³⁾	98.10%	1.8907 ⁽³⁾	9,105,368	1,615,630
2001	126,998,624	98.23%	5.3957	9,220,291	1,411,238
2000	119,171,495	101.88%	5.2500	8,856,708	1,398,389

* Estimated

** Increase due to reassessment.

- (1) Decrease due in part to Wells County accelerating the deduction for inventory.
- (2) Reflects payments of 2002 Pay 2003 property taxes through 2003. Additional 2002 Pay 2003 property taxes will be collected in 2004 as a result of delays in mailing property tax bills due to reassessment.
- (3) Prior to the 2001 Pay 2002 tax year, the State of Indiana used a real property valuation system that arrived at a full valuation designated as the True Tax Value that was then divided by three to arrive at the Assessed Value of the property. For the 2001 Pay 2002 tax year and subsequent years, property is valued at True Tax Value rather than Assessed Value.

NORTHERN WELLS COMMUNITY SCHOOLS (Continued)

Unaudited Receipts & Disbursements Calendar Year 2003

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed Pre-School
Receipts:						
Property Taxes	\$ 3,223,783	\$ 1,286,827	\$ 651,410	\$ 209,821	\$ 1,422,163	\$ 18,075
Bank & Excise	700,069	278,654	141,361	45,636	308,655	3,941
State Grants	9,502,008	35,513	144,359	-	-	66,209
Miscellaneous	5,518,468	-	501,576	-	396	-
Total	<u>\$ 18,944,328</u>	<u>\$ 1,600,994</u>	<u>\$ 1,438,706</u>	<u>\$ 255,457</u>	<u>\$ 1,731,214</u>	<u>\$ 88,225</u>
Disbursements	<u>\$ 18,894,100</u>	<u>\$ 1,910,999</u>	<u>\$ 1,419,045</u>	<u>\$ 319,275</u>	<u>\$ 1,976,095</u>	<u>\$ 82,311</u>

Anticipated Receipts & Disbursements Calendar Year 2004 Budget

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed Pre-School
Receipts:						
Property Taxes	\$ 3,962,138	\$ 3,129,264	\$ 779,953	\$ 183,963	\$ 1,772,851	\$ 12,600
Bank & Excise	494,123	337,546	84,532	19,844	191,370	1,359
State Grants	9,613,438	-	-	-	-	96,770
Miscellaneous	-	-	158,425	-	-	-
Total	<u>\$ 14,069,699</u>	<u>\$ 3,466,810</u>	<u>\$ 1,022,910</u>	<u>\$ 203,807</u>	<u>\$ 1,964,221</u>	<u>\$ 110,729</u>
Disbursements	<u>\$ 13,900,000</u>	<u>\$ 2,400,000</u>	<u>\$ 1,000,000</u>	<u>\$ 196,000</u>	<u>\$ 1,850,000</u>	<u>\$ 85,000</u>

Year End Cash Balances

As of Dec. 31	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed Pre-School	All Other	TOTAL
2004*	\$ 251,163	\$ 1,436,385	\$ 42,727	\$ 223,582	\$ 770,317	\$ 52,247	\$ 570,000	\$ 3,346,421
2003	81,464	369,575	19,817	215,775	656,096	26,518	568,670	1,937,915
2002	31,236	679,580	156	279,593	900,977	20,604	2,915,326	4,827,472
2001	322,049	62,542	50,133	313,489	866,604	24,904	3,114,312	4,754,033
2000	225,832	72,860	152,583	270,334	742,370	8,186	278,594	1,750,759

* Estimated

NORTHERN WELLS COMMUNITY SCHOOLS (Continued)

Current School Corporation Indebtedness

General Obligation Bonds - Now Outstanding	\$ -
- Proposed Bonds	4,000,000
Lease Obligations	35,434,500
Veterans and Common School Loans	375,000
Total School District Indebtedness	<u>\$ 39,809,500</u>
Assessed Valuation (2003 Payable 2004)	\$ 630,010,865
Debt as a % of 2003/2004 Assessed Valuation	6.32%
Population as of Year 2004	15,050
Total School District Indebtedness Per Capita	\$ 2,645

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business or Product</u>	2003 Pay 2004 Assessed <u>Valuation</u>	% of 2003/2004 Total Assessed <u>Valuation</u>
Walbro-TI Group	Plastic Gas Tanks	\$ 8,273,100	1.31%
Wal-Mart	Retail/Grocery Store	6,528,000	1.04
General Motors	Automotive	4,799,890	0.76
Lowes	Retail	4,214,600	0.67
Wabash Foods	Food Distributor	4,054,600	0.64
Westland Park	Warehouse Park	3,932,300	0.62
Johnson Controls	Truck Seats	3,628,800	0.58
Almco Steel	Metal Stamping	1,894,100	0.30
Wayne Metals- ICORP	Cutting Tool	1,207,600	0.19
Melching Enterprise	Tool and Die	657,600	0.10

RANDOLPH SOUTHERN SCHOOL CORPORATION

General

Randolph Southern School Corporation encompasses approximately 92 square miles in Randolph County, Indiana overlapping the Townships of Greensfork and Washington; and includes the Towns of Lynn and Spartanburg. The 2003 population of the School Corporation was 3,433.

The most recent audit by the State Board of Accounts was filed on February 27, 2003 for the period July 1, 2000 to June 30, 2002. The current audit period for the School Corporation began July 1, 2002 and concluded on June 30, 2004.

School Corporation Enrollment

The historic and projected total enrollments for Randolph Southern School Corporation are:

<u>School Year</u>	<u>Enrollment</u>
2000-2001	646
2001-2002	643
2002-2003	624
2003-2004	611
2004-2005*	602

*Estimated

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2004	\$ 159,614,201	N/A	\$ 1.0625	\$ 2,472,694*	\$ 220,582*
2003	159,142,253**	99.64%	1.0492	2,507,304	227,486
2002	97,042,749 ⁽¹⁾	99.76	1.5247 ⁽¹⁾	2,485,348	234,388
2001	32,457,570	96.06 ⁽²⁾	4.3601	2,494,386	225,450
2000	31,415,907	100.97	4.4708	2,409,124	107,183

* Estimated

** Increase due to reassessment.

- (1) Prior to the 2001 Pay 2002 tax year, the State of Indiana used a real property valuation system that arrived at a full valuation designated as the True Tax Value that was then divided by three to arrive at the Assessed Value of the property. For the 2001 Pay 2002 tax year and subsequent years, property is valued at True Tax Value rather than Assessed Value.
- (2) Low tax collection percentage due in part to large taxpayer going bankrupt.

RANDOLPH SOUTHERN SCHOOL CORPORATION (Continued)

**Unaudited Receipts & Disbursements
Calendar Year 2003**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>
Receipts:						
Property Taxes	\$ 798,402	\$ 170,614	\$ 191,006	\$ 124,273	\$ 195,633	\$ 4,244
Bank & Excise	28,126	5,149	6,669	8,456	8,357	222
State Grants	2,553,020	-	25,553	-	-	26,391
Miscellaneous	649,578	2,913	31,118	92,000	72,196	-
Total	<u>\$ 4,029,126</u>	<u>\$ 178,676</u>	<u>\$ 254,346</u>	<u>\$ 224,729</u>	<u>\$ 276,186</u>	<u>\$ 30,857</u>
Disbursements	<u>\$ 3,914,504</u>	<u>\$ 233,736</u>	<u>\$ 281,569</u>	<u>\$ 135,830</u>	<u>\$ 287,096</u>	<u>\$ 30,250</u>

**Anticipated Receipts & Disbursements
Calendar Year 2004 Budget**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>
Receipts:						
Property Taxes	\$ 989,820	\$ 206,000	\$ 243,000	\$ 55,200	\$ 302,400	\$ 3,400
Bank & Excise	125,619	24,000	25,000	4,800	33,600	500
State Grants	2,472,694	-	-	-	-	23,600
Miscellaneous	-	-	-	-	-	-
Total	<u>\$ 3,588,133</u>	<u>\$ 230,000</u>	<u>\$ 268,000</u>	<u>\$ 60,000</u>	<u>\$ 336,000</u>	<u>\$ 27,500</u>
Disbursements	<u>\$ 3,613,133</u>	<u>\$ 230,000</u>	<u>\$ 298,000</u>	<u>\$ 60,000</u>	<u>\$ 336,000</u>	<u>\$ 27,500</u>

Year End Cash Balances

<u>As of Dec. 31</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>	<u>All Other</u>	<u>TOTAL</u>
2004*	\$ 379,337	\$ 60,844	\$ 50,881	\$ 106,792	\$ 21,577	\$ 6,671	\$ 300,000	\$ 926,102
2003	404,337	60,844	80,881	106,792	21,577	6,671	336,748	1,017,850
2002	289,715	115,904	108,104	17,893	32,487	6,064	335,805	905,972
2001	447,475	118,098	94,624	5,292	98,451	5,690	257,719	1,027,349
2000	500,720	109,630	112,984	57,964	106,869	5,352	157,320	1,050,839

* Estimated

RANDOLPH SOUTHERN SCHOOL CORPORATION (Continued)

Current School Corporation Indebtedness

General Obligation Bonds - Now Outstanding	\$ 485,000
- Proposed Bonds	700,000
Lease Obligations	290,000
Veterans and Common School Loans	485,470
Total School Corporation Indebtedness	<u>\$ 1,960,470</u>
Assessed Valuation (2003 Payable 2004)	\$ 159,614,201
Debt as a % of 2003/2004 Assessed Valuation	1.23%
Population as of Year 2003	3,433
Total School Corporation Indebtedness Per Capita	\$ 571

Largest Taxpayers

<u>Taxpayer</u>	<u>Business or Product</u>	2003 Pay 2004 Assessed Valuation	% of 2003/2004 Total Assessed Valuation
Astral	Casket Manufacturing	\$ 15,982,410	10.01%
Harvestland Coop.	Agricultural Services	4,001,770	2.51
Howard Enterprises	Distributors	1,426,560	0.89
York	Casket Manufacturing	1,353,820	0.85
Kabert's	Manufacturing	477,460	0.30

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION

General

Richland-Bean Blossom Community School Corporation encompasses approximately 72 square miles in Monroe County, Indiana overlapping the Township of Richland, which includes the Town of Ellettsville; and the Township of Bean Blossom, which includes the Town of Stinesville. The 2004 population of the School Corporation was 16,210.

The most recent audit by the State Board of Accounts was filed on May 11, 2004 for the period July 1, 2001 to June 30, 2003. The current audit period for the School Corporation began July 1, 2003 and will conclude on June 30, 2005.

School Corporation Enrollment

The historic and projected total enrollments for Richland-Bean Blossom Community School Corporation are:

<u>School Year</u>	<u>Enrollment</u>
2000-2001	2,735
2001-2002	2,665
2002-2003	2,693
2003-2004	2,751
2004-2005*	2,662

*Estimated

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2004	\$655,848,915	N/ A	\$1.4984	\$9,627,231*	\$2,512,414*
2003	672,604,887**	101.75%	1.4512	9,452,743	2,755,610
2002	407,205,158 ⁽¹⁾	98.04	1.5259 ⁽¹⁾	9,290,928	864,291
2001	146,829,723	95.83	4.6344	9,529,247	880,881
2000	140,951,595	104.29	4.7731	9,219,943	894,049

* Estimated

** Increase due to reassessment.

- (1) Prior to the 2001 Pay 2002 tax year, the State of Indiana used a real property valuation system that arrived at a full valuation designated as the True Tax Value that was then divided by three to arrive at the Assessed Value of the property. For the 2001 Pay 2002 tax year and subsequent years, property is valued at True Tax Value rather than Assessed Value.

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION (Continued)

**Unaudited Receipts & Disbursements
Calendar Year 2003**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>
Receipts:						
Property Taxes	\$ 4,783,675	\$ 2,121,976	\$ 832,515	\$ 168,785	\$ 1,779,699	\$ 22,188
Bank & Excise	587,148	260,451	102,183	20,717	218,440	2,723
State Grants	9,202,754	49,089	71,846	-	-	129,054
Miscellaneous	781,965	-	5,293	-	79,472	23,158
Total	<u>\$ 15,355,543</u>	<u>\$ 2,431,516</u>	<u>\$ 1,011,837</u>	<u>\$ 189,502</u>	<u>\$ 2,077,611</u>	<u>\$ 177,123</u>
Disbursements	<u>\$ 15,124,916</u>	<u>\$ 2,305,610</u>	<u>\$ 1,076,184</u>	<u>\$ 181,726</u>	<u>\$ 1,710,006</u>	<u>\$ 137,371</u>

**Anticipated Receipts & Disbursements
Calendar Year 2004 Budget**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>
Receipts:						
Property Taxes	\$ 4,975,270	\$ 2,631,266	\$ 875,558	\$ 87,884	\$ 1,241,522	\$ 15,740
Bank & Excise	589,567	326,959	103,753	10,415	141,679	1,865
State Grants	9,491,721	-	-	-	-	135,510
Miscellaneous	332,134	-	20,000	-	-	-
Total	<u>\$ 15,388,692</u>	<u>\$ 2,958,225</u>	<u>\$ 999,311</u>	<u>\$ 98,299</u>	<u>\$ 1,383,201</u>	<u>\$ 153,115</u>
Disbursements	<u>\$ 15,519,790</u>	<u>\$ 2,512,414</u>	<u>\$ 1,077,012</u>	<u>\$ 112,000</u>	<u>\$ 2,591,264</u>	<u>\$ 155,000</u>

Year End Cash Balances

<u>As of Dec. 31</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>	<u>All Other</u>	<u>TOTAL</u>
2004*	\$ 101,398	\$ 1,283,404	\$ 17,724	\$ 12,772	\$ 292,541	\$ 316,612	\$ 504,824	\$ 2,529,274
2003	232,496	837,593	95,425	26,473	1,500,604	318,497	614,948	3,626,035
2002	1,869	711,687	159,772	18,697	1,132,999	278,745	327,545	2,631,314
2001	22,072	75,435	385,965	20,786	1,098,738	220,203	1,090,640	2,913,839
2000	557,781	110,666	505,610	67,456	417,801	209,331	546,162	2,414,807

* Estimated

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION (Continued)

Current School Corporation Indebtedness

General Obligation Bonds - Now Outstanding	\$ -
- Proposed Bonds	2,500,000
Lease Obligations	33,200,000
Veterans and Common School Loans	-
Total School Corporation Indebtedness	<u>\$ 35,700,000</u>
Assessed Valuation (2003 Payable 2004)	\$ 655,848,915
Assessed Valuation (2002 Payable 2003)	\$ 672,604,887
Debt as a % of 2003/2004 Assessed Valuation	5.44%
Population as of Year 2004	16,210
Total School Corporation Indebtedness Per Capita	\$ 2,202

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business or Product</u>	2002 Pay 2003 Assessed <u>Valuation</u>	% of 2002/2003 Total Assessed <u>Valuation</u>
Cook Incorporated	Medical Technology	\$ 37,218,200	5.53%
General Electric	Appliance Mfg.	15,000,000	2.23
Whitehall Crossing	Real Estate	13,764,300	2.05
Whitehall Pike	Real Estate	8,931,900	1.33
Charles Dunn Jr. & Ellen Ferguson	Personal	6,670,500	0.99
Columbia House	Retail Distributor	5,843,000	0.87
Bloomington LKE LLC	Food Service Distributor	5,495,300	0.82
Donald Cowden	Personal	4,958,500	0.74
Ellen Ferguson	Personal	4,716,200	0.70
ABB Power T&D Co.	Electrical Equipment Mfg.	4,388,400	0.65

RICHMOND COMMUNITY SCHOOL CORPORATION

General

Richmond Community School Corporation encompasses approximately 78 square miles in Wayne County, Indiana overlapping the Townships of Boston and Wayne; and includes the City of Richmond (with the exception of a small portion of the City in Center Township); and the Towns of Spring Grove and Boston. The 2000 population of the School Corporation was 44,657.

The most recent audit by the State Board of Accounts was filed on February 10, 2003 for the period July 1, 2000 to June 30, 2002. The current audit period for the School Corporation began July 1, 2002 and concluded on June 30, 2004.

School Corporation Enrollment

The historic and projected total enrollments for Richmond Community School Corporation are:

<u>School Year</u>	<u>Enrollment</u>
2000-2001	5,924
2001-2002	5,901
2002-2003	5,848
2003-2004	5,838
2004-2005*	5,839

*Estimated

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2004	\$1,594,681,955 ⁽¹⁾	N/A	\$ 1.4133	\$26,009,801*	\$2,337,935*
2003	1,690,805,796**	98.88%	1.2092	25,366,770	1,916,783
2002	1,170,602,924 ⁽²⁾	101.68	1.7112 ⁽²⁾	25,358,811	2,130,816
2001	400,028,563	101.04	4.9976	24,517,336	2,007,125
2000	379,283,911	101.60	5.1149	24,103,257	1,653,552

* Estimated

** Increase due to reassessment.

- (1) Decrease due in part to a large real estate group, Friends for Fellowship, converting to a not-for-profit agency and eliminating property taxes. Also, many reassessment values were appealed.
- (2) Prior to the 2001 Pay 2002 tax year, the State of Indiana used a real property valuation system that arrived at a full valuation designated as the True Tax Value that was then divided by three to arrive at the Assessed Value of the property. For the 2001 Pay 2002 tax year and subsequent years, property is valued at True Tax Value rather than Assessed Value.

RICHMOND COMMUNITY SCHOOL CORPORATION (Continued)

**Unaudited Receipts & Disbursements
Calendar Year 2003**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>
Receipts:						
Property Taxes	\$ 5,135,838	\$ 805,571	\$ 678,921	\$ 134,859	\$ 1,859,599	\$ 16,315
Bank & Excise	1,514,422	229,803	200,226	45,890	544,185	5,105
State Grants	24,880,429	-	85,682	-	-	400,658
Miscellaneous	15,002,342	206,799	175,730	-	604,537	-
Total	<u>\$ 46,533,031</u>	<u>\$ 1,242,173</u>	<u>\$ 1,140,559</u>	<u>\$ 180,749</u>	<u>\$ 3,008,321</u>	<u>\$ 422,078</u>
Disbursements	<u>\$ 45,265,443</u>	<u>\$ 2,400,265</u>	<u>\$ 1,789,454</u>	<u>\$ 315,146</u>	<u>\$ 5,310,098</u>	<u>\$ 330,138</u>

**Anticipated Receipts & Disbursements
Calendar Year 2004 Budget**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>
Receipts:						
Property Taxes	\$ 13,433,255	\$ 2,148,200	\$ 1,839,901	\$ 1,073,276	\$ 4,769,564	\$ 36,270
Bank & Excise	1,233,626	197,278	168,965	98,563	438,006	3,331
State Grants	25,702,729	-	-	-	-	307,072
Miscellaneous	7,412,579	742,894	249,461	665,852	195,390	-
Total	<u>\$ 47,782,189</u>	<u>\$ 3,088,372</u>	<u>\$ 2,258,327</u>	<u>\$ 1,837,691</u>	<u>\$ 5,402,960</u>	<u>\$ 346,673</u>
Disbursements	<u>\$ 47,961,951</u>	<u>\$ 2,544,734</u>	<u>\$ 2,275,601</u>	<u>\$ 1,418,970</u>	<u>\$ 5,378,847</u>	<u>\$ 396,140</u>

Year End Cash Balances

<u>As of Dec. 31</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>	<u>All Other</u>	<u>TOTAL</u>
2004*	\$ 4,989,510	\$ 799,149	\$ 87,399	\$ 495,857	\$ 1,316,687	\$ 184,961	\$ -	\$ 7,873,563
2003	5,169,272	255,511	104,673	77,136	1,292,574	234,428	3,909,346	11,042,940
2002	3,901,684	1,413,603	753,568	211,533	3,594,351	142,488	2,724,992	12,742,219
2001	3,007,483	1,376,869	673,294	312,251	1,426,570	108,498	3,078,394	9,983,359
2000	2,735,351	1,480,734	906,275	-	949,714	154,089	1,568,697	7,794,860

* Estimated

RICHMOND COMMUNITY SCHOOL CORPORATION (Continued)

Current School Corporation Indebtedness

General Obligation Bonds - Now Outstanding	\$ 2,265,000
- Proposed Bonds	19,000,000
Lease Obligations	8,580,000
Veterans and Common School Loans	2,147,353
Total School Corporation Indebtedness	<u>\$ 31,992,353</u>
Assessed Valuation (2003 Payable 2004)	\$1,594,681,955
Assessed Valuation (2002 Payable 2003)	\$1,690,805,796
Debt as a % of 2003/2004 Assessed Valuation	2.01%
Population as of Year 2000	44,657
Total School Corporation Indebtedness Per Capita	\$ 716

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business or Product</u>	2002 Pay 2003 Assessed <u>Valuation</u>	% of 2002/2003 Total Assessed <u>Valuation</u>
Belden Wire & Cable	Wire and Cable	\$ 32,738,530	1.94%
Dana Corporation	Heavy Duty Piston Rings	20,673,040	1.22
Color-Box	Corrugated Boxes	10,904,200	0.64
Hills' Pet Nutrition	Pet Food Processing	10,866,540	0.64
DeBartolo Capital Partnership	Shopping Mall	10,661,600	0.63
Landis Plastics	Plastic Food-Grade Containers	10,110,020	0.60
Cinram	Compact Discs, Audio Cassettes	9,907,470	0.59
Silgan Containers Corp.	Metal Stamping	9,694,650	0.57
Indiana Gas Company	Utility	9,626,870	0.57
Sanyo Lasers Products	Compact Discs	9,098,580	0.54

SALEM COMMUNITY SCHOOLS

General

Salem Community Schools encompasses approximately 225 square miles in Washington County, Indiana overlapping the Townships of Gibson, Jefferson, Monroe and Washington; and includes the City of Salem; and the incorporated Town of Little York. The 2003 population of the School Corporation was 12,789.

The most recent audit by the State Board of Accounts was filed on March 18, 2004 for the period July 1, 2001 to June 30, 2003. The current audit period for the School Corporation began July 1, 2003 and will conclude on June 30, 2005.

School Corporation Enrollment

The historic and projected total enrollments for Salem Community Schools are:

<u>School Year</u>	<u>Enrollment</u>
2000-2001	1,978
2001-2002	2,049
2002-2003	2,094
2003-2004	2,109
2004-2005*	2,136

*Estimated

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2004	\$413,144,195 ⁽¹⁾	N/A	\$ 1.4595	\$ 7,511,961 *	\$ 1,231,000*
2003	459,637,183**	98.00% ⁽²⁾	1.2614	7,719,341	1,233,000
2002	315,830,358 ⁽³⁾	98.81	1.6891 ⁽³⁾	7,383,224	1,230,000
2001	100,815,620	99.65	5.0169	7,456,757	1,135,000
2000	97,276,295	101.36	4.9441	3,697,275	1,111,000

* Estimated

** Increase due to reassessment.

(1) Decrease in part due to Washington County accelerating the deduction for inventory.

(2) Includes 2002 Pay 2003 property taxes collected in 2004.

(3) Prior to the 2001 Pay 2002 tax year, the State of Indiana used a real property valuation system that arrived at a full valuation designated as the True Tax Value that was then divided by three to arrive at the Assessed Value of the property. For the 2001 Pay 2002 tax year and subsequent years, property is valued at True Tax Value rather than Assessed Value.

SALEM COMMUNITY SCHOOLS (Continued)

**Unaudited Receipts & Disbursements
Calendar Year 2003 (1)**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>
Receipts:						
Property Taxes	\$ 898,076	\$ 368,950	\$ 137,399	\$ 29,810	\$ 335,467	\$ 3,254
Bank & Excise	272,158	111,809	41,638	9,034	101,662	986
State Grants	7,427,942	37,145	101,353	-	-	44,527
Miscellaneous	939,110	326,909	483,005	265,040	432,892	478
Total	<u>\$ 9,537,286</u>	<u>\$ 844,813</u>	<u>\$ 763,395</u>	<u>\$ 303,884</u>	<u>\$ 870,021</u>	<u>\$ 49,245</u>
Disbursements	<u>\$ 10,909,341</u>	<u>\$ 1,293,697</u>	<u>\$ 812,230</u>	<u>\$ 339,264</u>	<u>\$ 1,810,433</u>	<u>\$ 44,977</u>

(1) The School Corporation received 30% of property taxes due to reassessment and delays in billing in 2003. The School Corporation received the remainder of the 2003 property taxes in April, 2004.

**Anticipated Receipts & Disbursements
Calendar Year 2004 Budget**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>
Receipts:						
Property Taxes	\$ 3,049,417	\$ 1,410,469	\$ 457,000	\$ 275,424	\$ 1,074,174	\$ 14,153
Bank & Excise	368,000	146,000	58,000	41,000	115,000	1,250
State Grants	7,349,000	-	-	-	-	40,000
Miscellaneous	410,000	10,000	24,000	2,800	7,000	80
Total	<u>\$ 11,176,417</u>	<u>\$ 1,566,469</u>	<u>\$ 539,000</u>	<u>\$ 319,224</u>	<u>\$ 1,196,174</u>	<u>\$ 55,483</u>
Disbursements	<u>\$ 11,182,867</u>	<u>\$ 1,535,140</u>	<u>\$ 528,196</u>	<u>\$ 312,840</u>	<u>\$ 1,172,175</u>	<u>\$ 51,293</u>

Year End Cash Balances

<u>As of Dec. 31</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>	<u>All Other</u>	<u>TOTAL</u>
2004*	\$ 1,178,411	\$ 31,429	\$ 10,903	\$ 6,484	\$ 578,424	\$ 28,996	\$ 1,200,000	\$ 3,034,647
2003	1,184,861	100	99	100	554,425	24,806	1,129,163	2,893,554
2002	2,556,916	448,984	48,934	35,480	1,494,837	20,538	1,250,371	5,856,060
2001	2,807,378	364,802	57,584	32,057	1,298,045	30,163	2,387,803	6,977,832
2000	2,850,134	126,147	62,565	91,801	613,006	9,425	419,730	4,172,808

* Estimated

SALEM COMMUNITY SCHOOLS (Continued)

Current School Corporation Indebtedness

General Obligation Bonds - Now Outstanding	\$ -
- Proposed Bonds	2,080,000
Lease Obligations	22,270,000
Veterans and Common School Loans	-
Total School Corporation Indebtedness	<u>\$ 24,350,000</u>
Assessed Valuation (2003 Payable 2004)	\$ 413,144,095
Assessed Valuation (2002 Payable 2003)	\$ 459,637,183
Debt as a % of 2003/2004 Assessed Valuation	5.89%
Population as of July 2003	12,789
Total School Corporation Indebtedness Per Capita	\$ 1,904

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business or Product</u>	2002 Pay 2003 Assessed <u>Valuation</u>	% of 2002/2003 Total Assessed <u>Valuation</u>
GKN Sinter Metal	Powdered Metal Products	\$ 35,122,820	7.64%
Tecumseh Products Co.	Industrial Gears and Transmission Drives	17,647,360	3.84
Flexcel Inc./Kimball International Inc.	Office Furniture	16,452,390	3.58
Child Craft Industries	Infant and Juvenile Furniture	10,633,910	2.31
Jackson County REMC	County Agriculture Co-Op	6,362,010	1.38
Frank Miller Lumber Co.	Saw Mill	4,077,030	0.89
Eddy Gilstrap Motors Inc.	Car Dealership	3,589,390	0.78
John Jones GM City	Car Dealership	2,900,610	0.63
PSI Energy, Inc.	Electric Utility	2,794,260	0.61
Jean's Extrusions, Inc.	Extruded PVC Gaskets	2,616,680	0.57

SCOTT COUNTY SCHOOL DISTRICT 1

General

Scott County School District 1 encompasses approximately 31 square miles in Scott County, Indiana overlapping the Township of Jennings and includes the Town of Austin. The 2000 population of the School District was 6,997.

The most recent audit by the State Board of Accounts was filed on March 12, 2003 for the period July 1, 2000 to June 30, 2002. The current audit period for the School District began July 1, 2002 and concluded on June 30, 2004.

School District Enrollment

The historic and projected total enrollments for Scott County School District 1 are:

<u>School Year</u>	<u>Enrollment</u>
2000-2001	1,410
2001-2002	1,421
2002-2003	1,480
2003-2004	1,439
2004-2005*	1,478

*Estimated

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2004	\$ 150,724,935 ⁽¹⁾	N/A	\$ 2.3039	\$ 7,278,378*	\$ 1,345,122*
2003	165,313,160**	100.68%	1.9424	5,173,872	1,390,832
2002	125,630,480 ⁽²⁾	98.51	2.5007 ⁽²⁾	5,008,889	1,655,072
2001	38,989,940	102.56	7.0721	5,616,608	996,345
2000	37,240,000	100.46	7.2943	5,901,310	792,784

* Estimated

** Increase due to reassessment.

- (1) Decrease due in part to Scott County accelerating the deduction for inventory.
- (2) Prior to the 2001 Pay 2002 tax year, the State of Indiana used a real property valuation system that arrived at a full valuation designated as the True Tax Value that was then divided by three to arrive at the Assessed Value of the property. For the 2001 Pay 2002 tax year and subsequent years, property is valued at True Tax Value rather than Assessed Value.

SCOTT COUNTY SCHOOL DISTRICT 1 (Continued)

**Unaudited Receipts & Disbursements
Calendar Year 2003**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>
Receipts:						
Property Taxes	\$ 1,309,403	\$ 1,447,514	\$ 178,091	\$ 20,006	\$ 535,981	\$ 5,384
Bank & Excise	130,020	145,179	17,654	1,981	53,051	522
State Grants	6,274,484	25,669	41,170	-	-	38,683
Miscellaneous	1,497,008	-	109	-	-	-
Total	<u>\$ 9,210,915</u>	<u>\$ 1,618,362</u>	<u>\$ 237,024</u>	<u>\$ 21,987</u>	<u>\$ 589,032</u>	<u>\$ 44,589</u>
Disbursements	<u>\$ 8,661,487</u>	<u>\$ 1,390,832</u>	<u>\$ 289,340</u>	<u>\$ -</u>	<u>\$ 612,399</u>	<u>\$ 23,383</u>

**Anticipated Receipts & Disbursements
Calendar Year 2004 Budget**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>
Receipts:						
Property Taxes	\$ 1,202,716	\$ 1,324,103	\$ 170,546	\$ 183,212	\$ 589,445	\$ 4,071
Bank & Excise	117,475	129,331	16,658	17,894	57,573	398
State Grants	7,364,078	-	-	-	-	20,679
Miscellaneous	80,023	-	124,185	-	-	-
Total	<u>\$ 8,764,292</u>	<u>\$ 1,453,434</u>	<u>\$ 311,389</u>	<u>\$ 201,106</u>	<u>\$ 647,018</u>	<u>\$ 25,148</u>
Disbursements	<u>\$ 9,271,340</u>	<u>\$ 1,345,122</u>	<u>\$ 265,716</u>	<u>\$ 210,000</u>	<u>\$ 736,092</u>	<u>\$ 39,406</u>

Year End Cash Balances

<u>As of Dec. 31</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>	<u>All Other</u>	<u>TOTAL</u>
2004*	\$ 508,431	\$ 140,360	\$ 969	\$ 61,337	\$ 1,304,521	\$ 11,932	\$ 943,174	\$ 2,970,724
2003	1,015,479	32,048	(44,704)	70,231	1,393,595	26,190	1,005,279	3,498,118
2002	466,051	(195,482)	7,612	48,244	1,416,962	4,984	818,596	2,566,967
2001	955,603	637,811	133,532	38,449	1,565,156	(10,840)	1,005,647	4,325,358
2000	1,015,717	351,427	199,048	229,707	1,100,477	(8,560)	1,491,209	4,379,025

* Estimated

SCOTT COUNTY SCHOOL DISTRICT 1 (Continued)

Current School District Indebtedness

General Obligation Bonds - Now Outstanding	\$ -
- Proposed Bonds	1,900,000
Lease Obligations	6,375,000
Veterans and Common School Loans	9,335,322
Total School Corporation Indebtedness	<u>\$ 17,610,322</u>
Assessed Valuation (2003 Payable 2004)	\$ 150,724,935
Debt as a % of 2003/2004 Assessed Valuation	11.68%
Population as of Year 2000	6,997
Total School Corporation Indebtedness Per Capita	\$ 2,517

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business or Product</u>	2003 Pay 2004 Assessed <u>Valuation</u>	% of 2003/2004 Total Assessed <u>Valuation</u>
Morgan Packing	Food Packing	\$ 21,168,610	14.04%
Pepsi Cola	Beverage Bottlers	7,299,840	4.84
Austin Tri Hawk	Automotive Mfg.	6,095,110	4.04
Austin Village	Apartments	1,975,800	1.31
Austin Oaks	Apartments	1,319,360	0.88
Public Service Indiana	Utility	1,269,050	0.84
Verizon North	Telephone Utility	1,199,070	0.80
Warehouse Enterprise	Warehouse	1,090,230	0.72
Indiana Michigan Power	Utility	1,027,800	0.68
Austin Limited	Apartments	766,180	0.51

SHELBY EASTERN SCHOOLS

General

Shelby Eastern Schools encompasses approximately 177 square miles in Shelby County, Indiana overlapping the Townships of Hanover, Liberty, Noble, Shelby East, Union and Van Buren; and includes the Towns of Morristown and St. Paul. The 2000 population of the School Corporation was 9,364.

The most recent audit by the State Board of Accounts was filed on May 19, 2003 for the period July 1, 2000 to June 30, 2002. The current audit period for the School Corporation began July 1, 2002 and concluded on June 30, 2004.

School Corporation Enrollment

The historic and projected total enrollments for Shelby Eastern Schools are:

<u>School Year</u>	<u>Enrollment</u>
2000-2001	1,715
2001-2002	1,701
2002-2003	1,682
2003-2004	1,595
2004-2005*	1,561

*Estimated

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2004	\$350,000,000*	N/A	\$ 1.4802*	\$ 6,101,430*	\$ 2,030,080*
2003	428,497,100**	98.75%	1.3775	6,185,300	2,033,217
2002	267,701,764 ⁽¹⁾	102.72	1.8977 ⁽¹⁾	6,067,001	1,820,698
2001	86,356,791	92.01 ⁽²⁾	5.9652	6,149,926	1,584,630
2000	87,945,360	101.45	4.6862	5,845,897	1,018,992

* Estimated

** Increase due to reassessment.

(1) Prior to the 2001 Pay 2002 tax year, the State of Indiana used a real property valuation system that arrived at a full valuation designated as the True Tax Value that was then divided by three to arrive at the Assessed Value of the property. For the 2001 Pay 2002 tax year and subsequent years, property is valued at True Tax Value rather than Assessed Value.

(2) Low collections due in part to a large taxpayer going out of business.

SHELBY EASTERN SCHOOLS (Continued)

Unaudited Receipts & Disbursements Calendar Year 2003

	General Fund (1)	Debt Service Fund (1)	Transportation Fund (1)	Bus Replacement Fund	Capital Projects Fund	Special Ed Pre-School
Receipts:						
Property Taxes	\$ 1,333,006	\$ 327,159	\$ 137,781	\$ 3,046	\$ 174,654	\$ 1,967
Bank & Excise	296,899	173,528	73,080	1,616	92,638	1,044
State Grants	6,054,816	-	52,688	-	-	35,147
Miscellaneous	2,344,672	2,047,944	686,639	2,910	41,279	357
Total	<u>\$ 10,029,393</u>	<u>\$ 2,548,631</u>	<u>\$ 950,188</u>	<u>\$ 7,572</u>	<u>\$ 308,571</u>	<u>\$ 38,515</u>
Disbursements	<u>\$ 9,844,517</u>	<u>\$ 2,033,216</u>	<u>\$ 784,470</u>	<u>\$ 65,303</u>	<u>\$ 756,953</u>	<u>\$ 49,500</u>

(1) Includes temporary loans not repaid.

Anticipated Receipts & Disbursements Calendar Year 2004 Budget (1)

	General Fund	Debt Service Fund	Transportation Fund	Bus Replacement Fund	Capital Projects Fund	Special Ed Pre-School
Receipts:						
Property Taxes (2)	\$ 4,935,847	\$ 3,336,780	\$ 1,670,770	\$ 31,071	\$ 1,781,341	\$ 20,864
Bank & Excise	347,217	258,967	103,545	1,960	143,048	1,390
State Grants	6,066,170	-	-	-	-	35,260
Miscellaneous	67,146	-	-	20,560	-	-
Total	<u>\$ 11,416,380</u>	<u>\$ 3,595,747</u>	<u>\$ 1,774,315</u>	<u>\$ 53,591</u>	<u>\$ 1,924,389</u>	<u>\$ 57,514</u>
Disbursements	<u>\$ 9,806,082</u>	<u>\$ 2,030,050</u>	<u>\$ 927,648</u>	<u>\$ 60,560</u>	<u>\$ 1,518,653</u>	<u>\$ 52,250</u>

(1) Represents a current estimate and will be adjusted accordingly once actual budget numbers are certified.

(2) Includes 2003 property tax distributions received in 2004.

Year End Cash Balances

As of Dec. 31	General Fund	Debt Service Fund	Transportation Fund	Bus Replacement Fund	Capital Projects Fund	Special Ed Pre-School	All Other	TOTAL
2004*	\$ 1,912,480	\$ 2,140,298	\$ 1,069,560	\$ 7,924	\$ 54,007	\$ 11,068	\$ 400,000	\$ 5,595,337
2003	302,182	574,601	222,893	14,893	(351,729)	5,804	483,936	1,252,580
2002	117,306	59,186	57,175	72,624	96,653	16,789	523,727	943,460
2001	683,036	133,707	(28,730)	53,988	491,199	15,106	984,914	2,333,220
2000	1,258,211	92,815	(16,113)	56,285	626,088	13,868	5,239,579	7,270,733

* Estimated

SHELBY EASTERN SCHOOLS (Continued)**Current School Corporation Indebtedness**

General Obligation Bonds - Now Outstanding	\$ -
- Proposed Bonds	3,300,000
Lease Obligations	30,090,000
Veterans and Common School Loans	-
Total School Corporation Indebtedness	<u>\$ 33,390,000</u>
Assessed Valuation (2002 Payable 2003)	\$ 428,497,100
Debt as a % of 2002/2003 Assessed Valuation	7.79%
Population as of Year 2000	9,364
Total School Corporation Indebtedness Per Capita	\$ 3,566

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business</u>	2002 Pay 2003 Assessed <u>Valuation</u>	% of 2002/2003 Total Assessed <u>Valuation</u>
Central Soya Company	Agricultural Products	\$ 30,010,163	7.00%
Textron Auto. Ext.	Automotive Products	9,488,358	2.21
FNGP Manufacturing	Rubber Products	6,074,410	1.42
Weyerhaeuser Dist. Inc.	Paper Products	2,723,820	0.64
Morristown Group LLC	Manufacturing	2,180,100	0.51
Shelby Materials	Aggregates	1,718,780	0.40
CGS Services Inc.	Garbage Service	1,681,980	0.39
Park 100 Foods	Food Service	1,681,480	0.39
Prema, Lean Pork LLC	Pork Products	1,638,220	0.38
Morristown Grain	Grain Elevator	1,334,100	0.31

SOUTHWEST SCHOOL CORPORATION

General

Southwest School Corporation encompasses approximately 249 square miles in Sullivan County, Indiana overlapping the Townships of Gill, Haddon, Hamilton and Turman; and includes the City of Sullivan; and the Towns of Carlisle, Graysville, Merom, New Lebanon and Paxton. The 2000 population of the School Corporation was 11,897.

The most recent audit by the State Board of Accounts was filed on April 20, 2004 for the period July 1, 2001 to June 30, 2003. The current audit period for the School Corporation began July 1, 2003 and will conclude on June 30, 2005.

School Corporation Enrollment

The historic and projected total enrollments for Southwest School Corporation are:

<u>School Year</u>	<u>Enrollment</u>
2000-2001	1,995
2001-2002	1,977
2002-2003	1,983
2003-2004	1,930
2004-2005*	1,924

*Estimated

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2004	\$482,866,415 ⁽¹⁾	N/A	\$ 2.0741	\$ 7,129,259*	\$ 2,105,000*
2003	506,410,850**	87.11% ⁽²⁾	1.9702	7,270,740	2,103,451
2002	403,792,055 ⁽³⁾	100.54	2.0411 ⁽³⁾	6,273,911	2,106,448
2001	137,426,385	100.95	6.1185	6,484,046	2,345,537
2000	136,416,715	101.25	5.9531	6,085,104	1,681,760

* Estimated

** Increase due to reassessment.

- (1) Decrease due in part to the expanded application of interstate commerce exemption for inventory. Also, the value of the Hoosier Energy Generating Station depreciated.
- (2) Reflects payments of 2002 Pay 2003 property taxes through 2003. Additional 2002 Pay 2003 property taxes will be collected in 2004 as a result of delays in mailing property tax bills due to reassessment.
- (3) Prior to the 2001 Pay 2002 tax year, the State of Indiana used a real property valuation system that arrived at a full valuation designated as the True Tax Value that was then divided by three to arrive at the Assessed Value of the property. For the 2001 Pay 2002 tax year and subsequent years, property is valued at True Tax Value rather than Assessed Value.

SOUTHWEST SCHOOL CORPORATION (Continued)

Unaudited Receipts & Disbursements Calendar Year 2003

	General Fund	Debt Service Fund	Transportation Fund	Bus Replacement Fund	Capital Projects Fund	Special Ed Pre-School
Receipts:						
Property Taxes	\$ 3,776,000	\$ 2,565,000	\$ 944,800	\$ 100,600	\$ 1,290,000	\$ 14,500
Bank & Excise	276,236	135,830	70,542	6,534	73,875	922
State Grants	7,203,240	-	67,500	-	-	140,038
Miscellaneous	2,035,495	1,980,000	251,550	-	41,900	-
Total	<u>\$ 13,290,971</u>	<u>\$ 4,680,830</u>	<u>\$ 1,334,392</u>	<u>\$ 107,134</u>	<u>\$ 1,405,775</u>	<u>\$ 155,460</u>
Disbursements	<u>\$ 13,183,211</u>	<u>\$ 4,215,895</u>	<u>\$ 1,389,572</u>	<u>\$ 13,900</u>	<u>\$ 1,436,222</u>	<u>\$ 184,250</u>

Anticipated Receipts & Disbursements Calendar Year 2004 Budget

	General Fund	Debt Service Fund	Transportation Fund	Bus Replacement Fund	Capital Projects Fund	Special Ed Pre-School
Receipts:						
Property Taxes	\$ 4,394,567	\$ 2,298,444	\$ 1,139,082	\$ 551,916	\$ 1,618,568	\$ 12,555
Bank & Excise	333,248	173,835	86,538	41,750	122,975	759
State Grants	6,935,564	-	-	-	-	193,695
Miscellaneous	43,376	22,686	11,242	5,446	15,974	124
Total	<u>\$ 11,706,755</u>	<u>\$ 2,494,965</u>	<u>\$ 1,236,862</u>	<u>\$ 599,112</u>	<u>\$ 1,757,517</u>	<u>\$ 207,133</u>
Disbursements	<u>\$ 11,500,000</u>	<u>\$ 2,220,000</u>	<u>\$ 1,200,000</u>	<u>\$ 135,000</u>	<u>\$ 1,740,000</u>	<u>\$ 200,000</u>

Year End Cash Balances

As of Dec. 31	General Fund	Debt Service Fund	Transportation Fund	Bus Replacement Fund	Capital Projects Fund	Special Ed Pre-School	All Other	TOTAL
2004*	\$ 530,684	\$ 799,131	\$ 254,557	\$ 571,099	\$ 348,265	\$ 9,779	\$ 300,000	\$ 2,813,515
2003	323,929	524,166	217,695	106,987	330,748	2,646	309,828	1,815,999
2002	216,169	59,231	272,875	13,753	361,195	31,436	288,462	1,243,121
2001	584,018	170,215	205,969	22,307	261,960	14,955	761,821	2,021,245
2000	242,296	122,827	182,872	5,678	986,042	2,589	485,741	2,028,045

* Estimated

SOUTHWEST SCHOOL CORPORATION (Continued)

Current School Corporation Indebtedness

General Obligation Bonds - Now Outstanding	\$ -
- Proposed Bonds	7,500,000
Lease Obligations	9,085,000
Veterans and Common School Loans	21,495
Total School Corporation Indebtedness	<u>\$ 16,606,495</u>
Assessed Valuation (2003 Payable 2004)	\$ 482,866,415
Debt as a % of 2003/2004 Assessed Valuation	3.44%
Population as of Year 2000	11,897
Total School Corporation Indebtedness Per Capita	\$ 1,396

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business or Product</u>	2003 Pay 2004 Assessed <u>Valuation</u>	% of 2003/2004 Total Assessed <u>Valuation</u>
Hoosier Energy	Public Utility	\$ 10,272,200	2.13%
Indiana Statewide Rural Electric	Public Utility	4,466,600	0.93
Meadowlark, Inc.	Coal Mining	3,364,500	0.70
Texas Gas Transmissions	Natural Gas	2,765,910	0.57
Barrington Associates	Wal-Mart	1,897,200	0.39
Middlefork, Inc.	Agriculture	1,780,290	0.37
Kindill Mining, Inc.	Coal Mining	1,566,210	0.32
Sullivan Limited	Real Estate	1,537,400	0.32
Angell Enterprises	Retail	1,365,600	0.28
Louis & Donna Glascock	Manufacturing	1,149,420	0.24

TAYLOR COMMUNITY SCHOOL CORPORATION

General

Taylor Community School Corporation encompasses approximately 31 square miles in Howard County, Indiana overlapping the Township of Taylor and includes a small section of the City of Kokomo. The 2000 population of the School Corporation was 9,536.

The most recent audit by the State Board of Accounts was filed on February 19, 2003 for the period July 1, 2000 to June 30, 2002. The current audit period for the School Corporation began July 1, 2002 and concluded on June 30, 2004.

School Corporation Enrollment

The historic and projected total enrollments for Taylor Community School Corporation are:

<u>School Year</u>	<u>Enrollment</u>
2000-2001	1,511
2001-2002	1,525
2002-2003	1,523
2003-2004	1,516
2004-2005*	1,503

*Estimated

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2004	\$ 345,359,920	N/A	\$ 1.4791	\$ 6,293,877*	\$ 1,648,604*
2003	343,242,670**	100.08%	1.5775	6,319,120	1,659,062
2002	231,618,250 ⁽¹⁾	99.27	1.8876 ⁽¹⁾	6,243,471	1,639,110
2001	74,412,830	100.30	5.6628	6,377,567	1,661,403
2000	71,305,820	101.93	5.8397	6,388,994	1,696,658

* Estimated

** Increase due to reassessment.

- (1) Prior to the 2001 Pay 2002 tax year, the State of Indiana used a real property valuation system that arrived at a full valuation designated as the True Tax Value that was then divided by three to arrive at the Assessed Value of the property. For the 2001 Pay 2002 tax year and subsequent years, property is valued at True Tax Value rather than Assessed Value.

TAYLOR COMMUNITY SCHOOL CORPORATION (Continued)

**Unaudited Receipts & Disbursements
Calendar Year 2003**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>
Receipts:						
Property Taxes	\$ 2,541,872	\$ 1,644,988	\$ 396,983	\$ -	\$ 823,869	\$ 11,342
Bank & Excise	510,471	329,973	79,632	-	165,262	2,275
State Grants	6,109,969	-	51,614	-	-	57,423
Miscellaneous	365,222	-	18,536	-	196,560	-
Total	<u>\$ 9,527,534</u>	<u>\$ 1,974,961</u>	<u>\$ 546,765</u>	<u>\$ -</u>	<u>\$ 1,185,691</u>	<u>\$ 71,040</u>
Disbursements	<u>\$ 10,017,428</u>	<u>\$ 1,659,062</u>	<u>\$ 554,773</u>	<u>\$ 54,853</u>	<u>\$ 1,048,964</u>	<u>\$ 59,807</u>

**Anticipated Receipts & Disbursements
Calendar Year 2004 Budget**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>
Receipts:						
Property Taxes	\$ 2,675,503	\$ 968,044	\$ 410,633	\$ 58,020	\$ 988,075	\$ 7,943
Bank & Excise	515,379	186,473	79,099	11,177	190,331	1,530
State Grants	6,252,320	-	-	-	-	41,557
Miscellaneous	177,000	15,980	-	-	-	-
Total	<u>\$ 9,620,202</u>	<u>\$ 1,170,497</u>	<u>\$ 489,732</u>	<u>\$ 69,197</u>	<u>\$ 1,178,406</u>	<u>\$ 51,030</u>
Disbursements	<u>\$ 9,618,100</u>	<u>\$ 1,632,604</u>	<u>\$ 510,795</u>	<u>\$ 60,000</u>	<u>\$ 1,117,597</u>	<u>\$ 84,757</u>

Year End Cash Balances

<u>As of Dec. 31</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed Pre-School</u>	<u>All Other</u>	<u>TOTAL</u>
2004*	\$ 3,710	\$ 4,718	\$ 42,009	\$ 134	\$ 291,888	\$ 17,584	\$ 50,000	\$ 410,043
2003	1,608	466,825	63,072	(9,063)	231,079	51,311	(49,800)	755,032
2002	491,502	150,926	71,080	45,790	94,352	40,078	52,662	946,390
2001	634,836	621,468	114,409	45,790	95,042	17,966	382,612	1,912,123
2000	530,554	586,686	103,869	92,649	602,843	21,513	937,291	2,875,405

* Estimated

TAYLOR COMMUNITY SCHOOL CORPORATION (Continued)

Current School Corporation Indebtedness

General Obligation Bonds - Now Outstanding	\$ -
- Proposed Bonds	3,465,000
Lease Obligations	16,810,000
Veterans and Common School Loans	-
Total School Corporation Indebtedness	<u>\$ 20,275,000</u>
Assessed Valuation (2003 Payable 2004)	\$ 345,359,920
Debt as a % of 2003/2004 Assessed Valuation	5.87%
Population as of Year 2000	9,536
Total School Corporation Indebtedness Per Capita	\$ 2,126

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business or Product</u>	2003 Pay 2004 Assessed <u>Valuation</u>	% of 2003/2004 Total Assessed <u>Valuation</u>
Walnut Creek Apartments	Apartment Complex	\$ 11,659,800	3.38%
Indiana Bell Telephone	Utility	3,987,250	1.15
Maple Farms	Farm	3,382,820	0.98
Marriott	Motel	3,240,560	0.94
Holiday Inn	Motel	3,183,900	0.92
Kingston Green Apartments	Apartment Complex	3,170,990	0.92
Kokomo Gas & Fuel	Utility	3,124,950	0.90
Hewitt Tool & Die	Manufacturing	2,452,420	0.71
PSI	Utility	2,039,340	0.59
Super 8 Motel	Motel	1,601,630	0.46

WEST WASHINGTON COMMUNITY SCHOOL CORPORATION

General

West Washington Community School Corporation encompasses approximately 160 square miles in Washington County, Indiana overlapping the Townships of Brown, Howard, Madison, Posey and Vernon; and includes the Towns of Campbellsburg, Saltillo, Livonia, Fredericksburg and Hardinsburg. The 2002 population of the School Corporation was 5,663.

The most recent audit by the State Board of Accounts was filed on February 10, 2003 for the period July 1, 2000 to June 30, 2002. The current audit period for the School Corporation began July 1, 2002 and concluded on June 30, 2004.

School Corporation Enrollment

The historic and projected total enrollments for West Washington Community School Corporation are:

<u>School Year</u>	<u>Enrollment</u>
2000-2001	1,098
2001-2002	1,068
2002-2003	1,011
2003-2004	1,036
2004-2005*	1,021

*Estimated

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2004	\$191,312,150	N/A	\$ 1.4110	\$ 4,861,812*	\$ 522,801*
2003	191,921,510**	41.52% ⁽¹⁾	1.0978	5,102,932	271,892
2002	112,993,915 ⁽²⁾	99.88	1.5297 ⁽²⁾	5,350,219	144,132
2001	37,491,590	100.01	4.7853	5,161,853	150,704
2000	34,767,050	106.87	4.7738	4,721,100	14,840

* Estimated

** Increase due to reassessment.

- (1) Reflects payments of 2002 Pay 2003 property taxes through 2003. Additional 2002 Pay 2003 property taxes will be collected in 2004 as a result of delays in mailing property tax bills due to reassessment.
- (2) Prior to the 2001 Pay 2002 tax year, the State of Indiana used a real property valuation system that arrived at a full valuation designated as the True Tax Value that was then divided by three to arrive at the Assessed Value of the property. For the 2001 Pay 2002 tax year and subsequent years, property is valued at True Tax Value rather than Assessed Value.

WEST WASHINGTON COMMUNITY SCHOOL CORPORATION (Continued)

Unaudited Receipts & Disbursements Calendar Year 2003

	General Fund	Debt Service Fund	Transportation Fund	Bus Replacement Fund	Capital Projects Fund	Special Ed Pre-School
Receipts:						
Property Taxes	\$ 354,881	\$ 28,713	\$ 99,376	\$ 22,459	\$ 160,162	\$ 1,319
Bank & Excise	111,278	6,561	31,501	6,887	51,143	421
State Grants	4,906,461	18,920	125,076	-	-	22,430
Miscellaneous	606,178	110,205	105,109	-	-	-
Total	<u>\$ 5,978,798</u>	<u>\$ 164,399</u>	<u>\$ 361,062</u>	<u>\$ 29,346</u>	<u>\$ 211,305</u>	<u>\$ 24,170</u>
Disbursements	<u>\$ 6,101,819</u>	<u>\$ 283,532</u>	<u>\$ 528,843</u>	<u>\$ 50,885</u>	<u>\$ 87,531</u>	<u>\$ 23,500</u>

Anticipated Receipts & Disbursements Calendar Year 2004 Budget

	General Fund	Debt Service Fund	Transportation Fund	Bus Replacement Fund	Capital Projects Fund	Special Ed Pre-School
Receipts:						
Property Taxes	\$ 1,157,247	\$ 654,288	\$ 293,855	\$ 45,341	\$ 500,855	\$ 3,635
Bank & Excise	156,897	34,592	40,796	7,829	62,335	513
State Grants	4,843,541	-	-	-	-	18,271
Miscellaneous	1,063,062	-	325,000	-	-	-
Total	<u>\$ 7,220,747</u>	<u>\$ 688,880</u>	<u>\$ 659,651</u>	<u>\$ 53,170</u>	<u>\$ 563,190</u>	<u>\$ 22,419</u>
Disbursements	<u>\$ 7,871,819</u>	<u>\$ 562,059</u>	<u>\$ 555,815</u>	<u>\$ 96,000</u>	<u>\$ 666,866</u>	<u>\$ 27,500</u>

Year End Cash Balances

As of Dec. 31	General Fund	Debt Service Fund	Transportation Fund	Bus Replacement Fund	Capital Projects Fund	Special Ed Pre-School	All Other	TOTAL
2004*	\$ 409,232	\$ 126,821	\$ 103,837	\$ 8,121	\$ 405,154	\$ 2,051	\$ -	\$ 1,055,216
2003	1,060,304	-	1	50,951	508,830	7,132	132,256	1,759,474
2002	1,183,325	119,133	167,782	72,490	385,056	6,462	189,287	2,123,535
2001	902,171	159,495	189,078	52,287	396,546	1,827	142,496	1,843,900
2000	1,156,696	214,787	178,267	34,247	404,824	9,937	25,336	2,024,094

* Estimated

WEST WASHINGTON COMMUNITY SCHOOL CORPORATION (Continued)

Current School Corporation Indebtedness

General Obligation Bonds - Now Outstanding	\$ -
- Proposed Bonds	2,325,000
Lease Obligations	5,214,287
Veterans and Common School Loans	1,185,082
Total School Corporation Indebtedness	<u>\$ 8,724,369</u>
Assessed Valuation (2003 Payable 2004)	\$ 191,312,150
Debt as a % of 2003/2004 Assessed Valuation	4.56%
Population as of Year 2002	5,663
Total School Corporation Indebtedness Per Capita	\$ 1,541

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business or Product</u>	2003 Pay 2004 Assessed <u>Valuation</u>	% of 2003/2004 Total Assessed <u>Valuation</u>
Helsel (Hawk)	Powder Metal Cam/Pawls/Gears	\$ 5,585,290	2.92%
Verizon	Phone Service	2,295,180	1.20
Jones Farms (Robert Jones)	Farm	1,586,230	0.83
Orange County REMC	Utility	1,522,110	0.80
Jackson County REMC	Utility	1,435,080	0.75
Maple Hill Farm	Farm	1,217,200	0.64
Jerry and Judy Myers (Trust)	Farm	1,057,390	0.55
Indiana Michigan Power Company	Utility	1,006,590	0.53
Bodenbender Farms	Farm	882,400	0.46
John and Mary Ellen Green	Farm	854,700	0.45

APPENDIX B

DEFINITIONS

The following are definitions of certain of the terms used in this Official Statement and defined in the Indenture:

“Accounts” means the accounts created under the Indenture.

“Act” means the provisions of Indiana Code 5-1.5.

“Authorized Officer” means the Chairman, Vice Chairman or Executive Director of the Bond Bank or such other person or persons who are duly authorized to act on behalf of the Bond Bank.

“Bankruptcy Code” means the Bankruptcy Reform Act of 1978, as amended from time to time.

“Bond Bank” means the Indiana Bond Bank, a body corporate and politic, not a state agency, but an independent public instrumentality of the State exercising essential public functions, or any successor to its functions.

“Bondholder” or “holder of Bonds” or “owner of Bonds” or any similar term means the registered owner of any Bond.

“Bond Insurance Policy” means the municipal bond insurance policy issued by the Bond Insurer insuring the payment when due of the principal of, and interest on, the Bonds as provided therein.

“Bond Insurer” means Financial Guaranty Insurance Company.

“Bond Issuance Expense Account” means the account by that name created under the Indenture.

“Bonds” means the Bond Bank’s Taxable School Severance Funding Bonds Series 7 A and any Refunding Bonds.

“Cash Flow Certificate” means a certificate prepared by an accountant or firm of accountants in accordance with the Indenture concerning anticipated Revenues and payments.

“Clearing Agency” means initially The Depository Trust Company, and its successors and assigns, including any surviving, resulting or transferee corporation, or any successor corporation that may be appointed in a manner consistent with the Indenture and will include any direct or indirect participants of The Depository Trust Company.

“Code” means the Internal Revenue Code of 1986 in effect on the date of issuance of the Bonds, and the applicable regulations or rulings promulgated or proposed thereunder, and any successor thereto.

“Costs of Issuance” means items of expense payable or reimbursable directly or indirectly by the Bond Bank and related to the authorization, sale and issuance of Bonds, which items of expense will include, but not be limited to, printing costs, costs of reproducing

documents, filing and recording fees, initial fees and charges of the Trustee, underwriters' discounts, legal fees and charges, professional consultants' fees, costs of credit ratings, fees and charges for execution, transportation and safekeeping of Bonds, bond or reserve fund insurance premiums, credit enhancements (including Credit Facilities) or liquidity facility fees, and other costs, charges and fees in connection with the foregoing.

"Counsel" means an attorney duly admitted to practice law before the highest court of any state and approved by the Bond Bank.

"Credit Facility" means any letter of credit, revolving credit agreement, surety bond, insurance policy or other agreement or instrument.

"Credit Provider" means the issuer of any Credit Facility and its successor in such capacity and their assigns. To qualify under the Indenture, the Credit Provider providing such Credit Facility will be either:

- (i) an insurer whose municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bond issues results in such issues being rated in a rating category that is at least as high as the rating assigned to the Bonds by the rating agency or agencies rating the Bonds; or

- (ii) a bank or trust company which at the time of issuance of such Credit Facility has an outstanding, unsecured, uninsured and unguaranteed debt issue rated in a rating category that is at least as high as the rating assigned to the Bonds by the rating agency or agencies rating the Bonds.

"Default" means an event or condition, the occurrence of which, with the lapse of time or the giving of notice or both, would become an Event of Default under the Indenture.

"Event of Default" means any occurrence of an event specified in the Indenture.

"Fees and Charges" means fees and charges established by the Bond Bank from time to time pursuant to the Act which are payable by the Qualified Entities.

"Fiscal Year" means the twelve month period from July 1 through the following June 30.

"Funds" means the funds created under the Indenture.

"General Account" means the account by that name created under the Indenture.

"General Fund" means the fund by that name created under the Indenture.

"Governmental Obligations" means (a) direct obligations of (including obligations issued or held in book-entry form on the books of) the Department of Treasury of the United States of America or (b) senior debt obligations of other government sponsored agencies approved by the Bond Insurer.

“Indenture” means the Trust Indenture, dated as of October 15, 2004 between the Bond Bank and the Trustee, and all supplements and amendments entered into thereunder.

“Interest Payment Date” means any date on which interest is payable on the Bonds.

“Investment Earnings” means earnings and profits (after consideration of any accrued interest paid and/or amortization of premiums or discount on the investment) on the moneys in the Funds and Accounts established under the Indenture.

“Investment Securities” means any of the following: (a) Governmental Obligations; (b) obligations of any of the following federal agencies, which obligations represent the full faith and credit of the United States of America, including: Export-Import Bank; Farm Credit System Financial Assurance Corporation; Rural Economic Community Development Administration (formerly the Farmers Home Administration); General Services Administration; United States Maritime Administration; Small Business Administration; Government National Mortgage Association (“GNMA”); United States Department of Housing and Urban Development (“PHAs”); Federal Housing Administration; and Federal Financing Bank; (c) direct obligations of any of the following federal agencies, which obligations are not fully guaranteed by the full faith and credit of the United States of America: senior debt obligations rated “AAA” by S&P issued by the Federal National Mortgage Association (“FNMA”) or Federal Home Loan Mortgage Corporation (“FHLMC”); obligations of the Resolution Funding Corporation (“REFCORP”); senior debt obligations of the Federal Home Loan Bank System; and senior debt obligations of other government sponsored agencies approved by the Bond Insurer; (d) United States dollar denominated accounts, federal funds and bankers’ acceptances with domestic commercial banks, which have a rating on their short term certificates of deposit on the date of purchase of “AA-” or “A-1+” by S&P and maturing no more than 360 calendar days after the date of purchase (ratings on holding companies are not considered as the rating of the bank); (e) commercial paper which is rated at the time of purchase in the single highest classification, “A-1+” by S&P and which matures not more than 270 calendar days after the date of purchase; (f) investments in a money market fund rated “AAAm-G,” “AAA-m,” “AA-m” or better by S&P which fund may be a fund of the Trustee; (g) “Pre-refunded Municipal Obligations” defined as follows: any obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state, which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (A) which are rated, based on an irrevocable escrow account or fund (the “escrow”), in the highest rating category of S&P or any successors thereto; or (B)(i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or Governmental Obligations, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the obligations described in this clause (B) on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate; (h) municipal obligations rated “Aaa/AAA” or general obligations of states with a rating of at least “AA-” or higher by S&P; (i) investment agreements

supported by appropriate opinions of counsel; and (j) other forms of investments (including repurchase agreements) approved in writing by the Bond Insurer.

“Opinion of Bond Counsel” means an Opinion of Counsel by a nationally recognized firm experienced in matters relating to obligations of states and their instrumentalities and political subdivisions and which is acceptable to the Bond Bank and the Trustee.

“Opinion of Counsel” means a written opinion of Counsel addressed to the Trustee, for the benefit of the owners of the Bonds, who may (except as otherwise expressly provided in the Indenture) be Counsel to the Bond Bank or Counsel to the owners of the Bonds and who is acceptable to the Trustee.

“Outstanding” or “Bonds Outstanding” means all Bonds which have been authenticated and delivered by the Trustee under the Indenture, including Bonds held by the Bond Bank, except:

- (i) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity;
- (ii) Bonds deemed paid under the Indenture; and
- (iii) Bonds in lieu of which other Bonds have been authenticated under the Indenture.

“Principal Payment Date” means the maturity date or the mandatory sinking fund redemption date of any Bond.

“Program” means the program for purchasing Qualified Obligations by the Bond Bank pursuant to the Act.

“Program Expenses” means all of the fees and expenses of the Trustee, to the extent properly allocable to the Program.

“Purchase Agreement” means a Qualified Entity Purchase Agreement between the Bond Bank and a Qualified Entity, pursuant to which one or more Qualified Obligations are sold to the Bond Bank.

“Qualified Entity” means an entity defined in Indiana Code 5-1.5-1-8, as amended from time to time, which is a school corporation.

“Qualified Obligation” means a Security (as that term is defined in the Act), which has been acquired by the Bond Bank pursuant to the Indenture and is a general obligation of a Qualified Entity.

“Qualified Obligation Interest Payment” means that portion of a Qualified Obligation Payment which represents the interest due or to become due on a Qualified Obligation held by the Trustee pursuant to the Indenture.

“Qualified Obligation Payment” means the amounts paid or required to be paid, from time to time, for the principal of and interest on a Qualified Obligation held by the Trustee pursuant to the Indenture.

“Qualified Obligation Principal Payment” means that portion of a Qualified Obligation Payment which represents the principal due or to become due on a Qualified Obligation held by the Trustee pursuant to the Indenture.

“Record Date” means, with respect to any Interest Payment Date, the last day of the month next preceding such Interest Payment Date.

“Redemption Account” means the account by that name created under the Indenture.

“Redemption Price” means, with respect to any Bond, the principal amount thereof, plus the applicable premium, if any, payable upon redemption prior to maturity.

“Refunding Bonds” means Bonds issued pursuant to the Indenture and any Supplemental Indenture.

“Revenues” means the Funds and Accounts and all income, revenues and profits of the Funds and Accounts referred to in the granting clauses of the Indenture including, without limitation, all Qualified Obligation Payments.

“S&P” means Standard & Poor’s Ratings Services, a Division of The McGraw-Hill Companies, or any successor thereto.

“Series of Bonds” or “Bonds of a Series” or “Series” or words of similar meaning means any Series of Bonds authorized by the Indenture or by a Supplemental Indenture.

“State” means the State of Indiana.

“Supplemental Indenture” means an indenture supplemental to or amendatory of the Indenture, executed by the Bond Bank and the Trustee in accordance with the Indenture.

“Trustee” means The Bank of New York Trust Company, N.A., Indianapolis, Indiana.

“Trust Estate” means the property, rights, and amounts pledged and assigned to the Trustee pursuant to the granting clause of the Indenture.

APPENDIX C

FORM OF BOND COUNSEL OPINION

Upon delivery of the Bonds, Ice Miller, bond counsel,
proposes to deliver an opinion in substantially the following form:

October __, 2004

City Securities Corporation,
as representative of the purchasers
Indianapolis, IN

Indiana Bond Bank
Indianapolis, Indiana

Re: Indiana Bond Bank Taxable School Severance Funding Bonds Series 7 A
("Bonds"); Total Issue: \$107,675,000

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Bond Bank ("Issuer") of its Bonds, dated October __, 2004, in the aggregate principal amount of \$107,675,000 pursuant to a Trust Indenture, dated as of October 15, 2004 ("Indenture"), between the Issuer and The Bank of New York Trust Company, N.A., Indianapolis, Indiana, as Trustee, Registrar and Paying Agent. We have examined the law and the certified transcript of proceedings of the Issuer had relative to the authorization, issuance and sale of the Bonds and such other papers as we deem necessary to render this opinion. We have relied upon the certified transcript of proceedings and other certificates of public officials and we have not undertaken to verify any facts by independent investigation.

Based upon our examination, we are of the opinion, as of the date hereof, as follows:

1. The Bonds are valid and binding limited obligations of the Issuer enforceable in accordance with their respective terms and are payable from and secured only by the Trust Estate (as defined in the Indenture).
2. The Indenture is a valid and binding agreement of the Bond Bank, enforceable in accordance with its terms. The Indenture creates the valid pledge which it purports to create of the Trust Estate, subject to application to the purposes and on the conditions permitted by the Indenture.
3. Under statutes, decisions, regulations and rulings existing on this date, interest on the Bonds is exempt from income taxation in the State of Indiana ("State"). This opinion relates only to the exemption of interest on the Bonds from State income taxes.

It is to be understood that the rights of the owners of the Bonds and the enforceability thereof and of the Indenture may be subject to (i) the valid exercise of the constitutional powers

of the Issuer, the State and the United States of America and (ii) bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

Very truly yours,

APPENDIX D

SPECIMEN BOND INSURANCE POLICY



Financial Guaranty Insurance Company
 125 Park Avenue
 New York, NY 10017
 T 212-312-3000
 T 800-352-0001

Municipal Bond New Issue Insurance Policy

Issuer:	Policy Number:
	Control Number: 0010001
Bonds:	Premium:

Financial Guaranty Insurance Company ("Financial Guaranty"), a New York stock insurance company, in consideration of the payment of the premium and subject to the terms of this Policy, hereby unconditionally and irrevocably agrees to pay to U.S. Bank Trust National Association or its successor, as its agent (the "Fiscal Agent"), for the benefit of Bondholders, that portion of the principal and interest on the above-described debt obligations (the "Bonds") which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

Financial Guaranty will make such payments to the Fiscal Agent on the date such principal or interest becomes Due for Payment or on the Business Day next following the day on which Financial Guaranty shall have received Notice of Nonpayment, whichever is later. The Fiscal Agent will disburse to the Bondholder the face amount of principal and interest which is then Due for Payment but is unpaid by reason of Nonpayment by the Issuer but only upon receipt by the Fiscal Agent, in form reasonably satisfactory to it, of (i) evidence of the Bondholder's right to receive payment of the principal or interest Due for Payment and (ii) evidence, including any appropriate instruments of assignment, that all of the Bondholder's rights to payment of such principal or interest Due for Payment shall thereupon vest in Financial Guaranty. Upon such disbursement, Financial Guaranty shall become the owner of the Bond, appurtenant coupon or right to payment of principal or interest on such Bond and shall be fully subrogated to all of the Bondholder's rights thereunder, including the Bondholder's right to payment thereof.

This Policy is non-cancellable for any reason. The premium on this Policy is not refundable for any reason, including the payment of the Bonds prior to their maturity. This Policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Bond.

As used herein, the term "Bondholder" means, as to a particular Bond, the person other than the Issuer who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof. "Due for Payment" means, when referring to the principal of a Bond, the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity and means, when referring to interest on a Bond, the stated date for payment of interest. "Nonpayment" in respect of a Bond means the failure of the Issuer to have provided sufficient funds to the paying agent for payment in full of all



Financial Guaranty Insurance Company
125 Park Avenue
New York, NY 10017
T 212-312-3000
T 800-352-0001

Municipal Bond New Issue Insurance Policy

principal and interest Due for Payment on such Bond. "Notice" means telephonic or telegraphic notice, subsequently confirmed in writing, or written notice by registered or certified mail, from a Bondholder or a paying agent for the Bonds to Financial Guaranty. "Business Day" means any day other than a Saturday, Sunday or a day on which the Fiscal Agent is authorized by law to remain closed.

In Witness Whereof, Financial Guaranty has caused this Policy to be affixed with its corporate seal and to be signed by its duly authorized officer in facsimile to become effective and binding upon Financial Guaranty by virtue of the countersignature of its duly authorized representative.



President

Effective Date:

Authorized Representative

U.S. Bank Trust National Association, acknowledges that it has agreed to perform the duties of Fiscal Agent under this Policy.



Authorized Officer

APPENDIX E

SUMMARY OF CERTAIN LEGAL DOCUMENTS

E-1 Summary of Certain Provisions of the Indenture

E-2 Form of Qualified Entity Purchase Agreement

APPENDIX E-1

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

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The following is a summary of certain additional provisions of the Indenture not otherwise discussed in this Official Statement. This summary is qualified in its entirety by reference to the Indenture. Capitalized terms in this summary not defined in this Official Statement shall have the meanings set forth in the Indenture.

Revenues, Funds And Accounts

A. Creation of Funds and Accounts.

The Indenture establishes the following Funds and Accounts to be held by the Trustee:

1. General Fund-comprised of the following:

- (a) General Account
- (b) Redemption Account
- (c) Bond Issuance Expense Account

B. Deposit of Net Proceeds of Bonds, Revenues and Other Receipts.

The Trustee will deposit the proceeds (net of Underwriters' discount) from the sale of the Bonds, as follows:

- (a) Into the Bond Issuance Expense Account an amount sufficient to pay the Costs of Issuance (other than Underwriters' discount and the premium for bond insurance paid by the Underwriters directly to the Bond Insurer); and
- (b) Into the General Account, the remainder of the net proceeds, a portion of which will be used in purchasing Qualified Obligations.

The Trustee will deposit all Revenues and all other receipts (except the proceeds of the Bonds and moneys received upon the sale or optional redemption prior to maturity of Qualified Obligations) into the General Account.

The Trustee will deposit the proceeds of any Refunding Bonds in the manner provided in the Supplemental Indenture authorizing the issuance thereof.

Operation of Funds and Accounts

C. General Fund.

- 1. General Account. The Trustee will make the following payments from the General Account on the specified dates, and, in the event of insufficient funds to make all of such required payments, with the following order of priority:

- (a) On the date of initial delivery of the Bonds, to purchase the Qualified Obligations upon the submission of requisitions of the Bond Bank signed by an Authorized Officer stating that all requirements with respect to such financing set forth in the Indenture have been or will be complied with;
 - (b) On or before 10:00 A.M. in the city in which the Trustee is located on the business day next preceding each Interest Payment Date, such amount as will be necessary to pay the principal and interest coming due on the Bonds on such Interest Payment Date;
 - (c) After making such deposits and disbursements, the Trustee will retain such remaining amounts in the General Account to be used from time to time for the purposes set forth in paragraph (b) above. Upon final maturity of the Bonds, any money remaining in the General Account which is not needed to pay any of the costs set forth in paragraph (b) above in connection with the final maturity of the Bonds will be transferred within thirty (30) days after such final maturity to the Qualified Entities. However, the Bond Bank must supply the Trustee with a Cash Flow Certificate to the effect that, after such transfer, Revenues expected to be received and money expected to be held in the Funds and Accounts will at least equal debt service on all Outstanding Bonds.
2. Redemption Account. The Trustee will deposit in the Redemption Account all money received from the sale or optional mandatory redemption prior to maturity of Qualified Obligations and all other money required to be deposited therein pursuant to the provisions of the Indenture, and will invest such funds pursuant to the Indenture, and will disburse the funds in the Redemption Account as follows:
- (a) On the fifteenth day of each month, to the General Account an amount equal to the principal which would have been payable during the following month if such Qualified Obligations had not been sold or redeemed.
 - (b) On the second business day prior to each Interest Payment Date, if moneys in the General Account are not sufficient to make the payments of principal and interest required to be made on such date, to the General Account such amounts as are not already committed to the redemption of Bonds for which notice of redemption has already been given.
 - (c) After provision has been made for the required transfers to the General Account, (i) to redeem Bonds of such maturity or maturities as directed by an Authorized Officer of the Bond Bank, if such Bonds are then subject to redemption, or (ii) to purchase Bonds of such maturity or maturities as directed by an Authorized Officer of the Bond Bank at the most advantageous price obtainable with reasonable diligence, whether or not such Bonds are then subject to redemption and not in excess of the applicable redemption price for such Bonds. The Trustee will pay the

interest accrued on the Bonds so purchased to the date of delivery from the General Account and the balance of the purchase price from the Redemption Account, but no such purchase will be made by the Trustee within the period of forty-five (45) days next preceding an interest payment date or a date on which such Bonds are subject to redemption under the provisions of the Indenture.

In the event the Trustee is unable to purchase Bonds in accordance with subparagraph (c), then, subject to restrictions on redemption set forth in the Indenture (see "The Bonds - Optional Redemption"), the Trustee will call for redemption on the next ensuing redemption date such amount of the Bonds of such maturity or maturities as directed by an Authorized Officer as, at the Redemption Price thereof, will exhaust the Redemption Account as nearly as may be possible. Such redemption will be made pursuant to the Indenture. The Trustee will pay the interest accrued on the Bonds so redeemed to the date of redemption from the General Account and will pay the Redemption Price from the Redemption Account.

3. Bond Issuance Expense Account. The Trustee will deposit in the Bond Issuance Expense Account the money required to be deposited by the Indenture, will invest such funds pursuant to the Indenture and will disburse the funds held in the Bond Issuance Expense Account upon receipt of acceptable invoices or requisitions, to pay the Costs of Issuance of the Bonds or to reimburse the Bond Bank for amounts previously advanced for such costs. The Trustee will transfer any funds remaining in the Bond Issuance Expense Account to the General Account on January 1, 2005.

D. Amounts Remaining in Funds.

Any amounts remaining in any Fund or Account after full payment of all of the Bonds outstanding under the Indenture and the fees, charges and expenses of the Trustee will be distributed to the Bond Bank, unless otherwise provided for in the Indenture.

E. Investment of Funds.

Any money held as a part of any Fund or Account under the Indenture will be invested and reinvested at all times as continuously as reasonably possible by the Trustee in such Investment Securities as may be directed by the Bond Bank; provided, however, in the absence of such direction, the Trustee will select Investment Securities at its discretion. All such investments will be a part of the Fund or Account from which moneys were used to acquire such investments, and all income and profits on such investments will be deposited in the General Account. The Trustee will not be liable for any investment losses. Moneys in any Funds or Accounts will be invested in Investment Securities with maturity dates (or redemption dates determinable at the option of the owner of the Investment Security) coinciding as nearly as practicable with the times at which moneys in such Funds or Accounts will be required for transfer or disbursement under the Indenture. The Trustee will sell and reduce to cash sufficient amounts of such Investment Securities in a respective Fund or Account as may be necessary to

make up a deficiency in any amounts required to be distributed from such Fund or Account. Investment Securities will be valued at their amortized cost. Repurchase Agreements shall be valued at the market value of the collateral. The Trustee shall value the Investment Securities as frequently as deemed necessary by the Bond Insurer, but not less often than quarterly.

Bond Bank Covenants

The Bond Bank covenants and agrees that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in the Indenture, in any and every Bond executed, authenticated and delivered under the Indenture and in all of its related proceedings. The Bond Bank covenants and agrees: that it is duly authorized under the constitution and laws of the State, including particularly the Act, to issue the Bonds, to execute the Indenture and to pledge the Revenues and all other property pledged under the Indenture in the manner and to the extent set forth in the Indenture; that all action on its part for the issuance of the Bonds and the execution and delivery of the Indenture has been duly and effectively taken; and that the Bonds in the hands of their owners are and will be valid and enforceable limited obligations of the Bond Bank according to the terms of the Bonds and the Indenture.

The Bond Bank covenants and agrees that the Trustee may defend its rights to the payment of the Revenues for the benefit of the owners of the Bonds against the claims and demands of all persons whomsoever. The Bond Bank covenants and agrees that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such supplemental indentures and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, pledging, assigning and confirming unto the Trustee all and singular the rights assigned by the Indenture and the amounts and other property pledged under the Indenture to the payment of the principal of and interest on the Bonds.

In order to provide for the payment of the principal of, premium, if any, and interest on the Bonds and Program Expenses, the Bond Bank will from time to time, with all practical dispatch and in a sound and economical manner consistent in all respects with the Act, the provisions of the Indenture and sound banking practices and principles, (i) do all such acts and things as are necessary to receive and collect the Revenues (including enforcement of the prompt collection of all arrears on Qualified Obligations), and (ii) diligently enforce, and take all steps, actions and proceedings reasonably necessary in the judgment of the Bond Bank to protect its rights with respect to or to maintain any insurance on Qualified Obligations and to enforce all terms, covenants and conditions of Qualified Obligations including the collection, custody and prompt application of all escrow payments required by the terms of a Qualified Obligation for the purposes for which they were made. Whenever necessary in order to provide for the payment of the Bonds, the Bond Bank will commence appropriate remedies with respect to any Qualified Obligation which is in default.

With respect to the Qualified Obligations purchased by the Bond Bank, the Bond Bank covenants as follows:

- (a) The Bond Bank will not permit or agree to any material change in the Qualified Obligations (other than one for which consent by the Bond Bank is not required)

unless the Bond Bank supplies the Trustee and S&P with a Cash Flow Certificate, to the effect that, after such change, Revenues expected to be received in each Fiscal Year and other available money in Funds and Accounts, will at least equal the debt service on all Outstanding Bonds in each such Fiscal Year.

- (b) Only to the extent that such action would not adversely affect the validity of the Qualified Obligations or other obligations of the Qualified Entity, the Bond Bank will pursue the remedy set forth in the Act, including particularly Indiana Code 5-1.5-8-5, for the collection of deficiencies in Qualified Obligation Payments on any Qualified Obligation by collection of such deficiencies out of certain State funds payable but not yet paid to a defaulting Qualified Entity.
- (c) The Bond Bank will also enforce or authorize the enforcement of all remedies available to owners or holders of Qualified Obligations, unless the Bond Bank provides the Trustee with a Cash Flow Certificate to the effect that if such remedies are not enforced, Revenues expected to be received in each Fiscal Year, together with moneys expected to be held in the Funds and Accounts, will at least equal the debt service due on all Outstanding Bonds in each such Fiscal Year; provided, however, that decisions as to the enforcement of remedies will be within the sole discretion of the Trustee.
- (d) The Bond Bank will not sell or dispose of any Qualified Obligations unless the Bond Bank provides the Trustee with a Cash Flow Certificate, to the effect that after such sale, Revenues expected to be received in each Fiscal Year, together with moneys expected to be held in the Funds and Accounts, minus any proceeds of such sale to be transferred from any Fund or Account, will at least equal the debt service due on all Outstanding Bonds in each such Fiscal Year. Proceeds of such sales will be invested only in Government Obligations or in Qualified Obligations or disbursed as provided in the Indenture.

Cash Flow Certificates and Verifications

At any time that the provisions of the Indenture require that a Cash Flow Certificate be prepared, such certificate will set forth:

- (e) the Revenues expected to be received on all Qualified Obligations purchased with proceeds of the Bonds or with Revenues expected to be available for the purpose of financing additional Qualified Obligations;
- (f) all other Revenues, including the interest to be earned and other income to be derived from the investment of the Funds and Accounts and the rate or yields used in estimating such amounts;
- (g) all money expected to be in the Funds and Accounts;
- (h) the debt service due on all Bonds expected to be Outstanding during each Fiscal Year; and

- (i) the amount, if any, of Program Expenses expected to be paid from the Revenues.

In making any Cash Flow Certificate, the accountant or firm of accountants may contemplate the payment or redemption of Bonds for the payment or redemption of which amounts have been set aside in the Redemption Account. The issuance of Bonds, the making of transfers from one Fund to another and the deposit of amounts in any Fund from any other source may be contemplated in a Cash Flow Certificate only to the extent that such issuance, deposit or transfer has occurred prior to or will occur substantially simultaneously with the delivery of such Cash Flow Certificate. The accountant or firm of accountants must also supply supporting schedules appropriate to show the sources and applications of funds used, identifying particularly amounts to be transferred between Funds, amounts to be applied to the redemption or payment of Bonds and amounts to be used to provide for Costs of Issuance and capitalized interest, if any, for the respective Series. In the case of each annual Cash Flow Certificate, the amounts of existing Qualified Obligations, existing Investment Securities and existing cash will be the amounts as of the last day of the preceding Fiscal Year. In the case of any other Cash Flow Certificate such amounts will be the amounts as of the last day of the month preceding the month in which the Cash Flow Certificate is delivered but will be adjusted to give effect to scheduled payments of principal of and interest on Qualified Obligations, actual payments or proceeds with respect to Investment Securities and actual expenditures of cash expected by the Bond Bank through the end of the then current month.

The Bond Bank and/or the Trustee from time to time may cause a firm of independent certified public accountants of national standing or other nationally recognized experts to supply the Bond Bank and the Trustee with such information as the Bond Bank or the Trustee may request in order to determine in a manner reasonably satisfactory to the Bond Bank and the Trustee all matters relating to the sufficiency of projected cash flow receipts and disbursements with respect to the Funds and Accounts to pay the principal of and interest on the Bonds and Program Expenses.

Accounts and Reports

The Bond Bank will keep proper books of record and accounts in which complete and correct entries will be made of its transactions relating to the Program and the Funds and Accounts established by the Indenture. Such books and all other books and papers of the Bond Bank and all Funds and Accounts will, at all reasonable times, be subject to the inspection of the Trustee and the owners of an aggregate of not less than 5% in principal amount of Bonds then Outstanding or their representatives duly authorized in writing.

Before the twentieth day of each month, the Trustee will provide the Bond Bank with a statement of the amounts on deposit in each Fund and Account as of the first day of that month and the total deposits to and withdrawals from each Fund and Account during the preceding month. The Bond Bank may provide for less frequent statements so long as such statements are supplied no less frequently than quarterly.

Covenant to Monitor Investments

The Bond Bank covenants and agrees to regularly review the investments held by the Trustee in the Funds and Accounts under the Indenture in order to assure that the Revenues

derived from such investments are sufficient to provide, together with other anticipated Revenues, for the payment of the debt service on Outstanding Bonds.

Limitation on Additional Bonds

The only additional Bonds that may be issued under the Indenture are Refunding Bonds issued solely to refund all or any part of the outstanding Bonds.

The Indenture creates a continuing pledge and lien to secure the full and final payment of the principal of, redemption premium, if any, and interest on all Bonds and authorizes the issuance of one or more Series of Bonds under separate Supplemental Indentures. The Indenture establishes the requirements for each Supplemental Indenture and provides that no Series of Bonds will be issued under a Supplemental Indenture unless certain conditions are met, including the receipt by the Trustee of a Cash Flow Certificate to the effect that, immediately after the issuance of such Bonds, Revenues in each Fiscal Year, together with moneys expected to be held in the Funds and Accounts, will at least equal the debt service on all Bonds in each such Fiscal Year, including such Bonds. Such certificate will not be required in the case of Refunding Bonds if the debt service in each Fiscal Year on all Bonds after the issuance of such Refunding Bonds will be equal to or less than such debt service for each Fiscal Year on all Bonds Outstanding before the issuance of the Refunding Bonds.

Discharge of Indenture

If payment or provision for payment is made to the Trustee of the principal of, and interest on, the Bonds due and to become due under the Indenture, and if the Trustee receives all payments due and to become due under the Indenture, then the Indenture may be discharged in accordance with its provisions. In the event of any early redemption of Bonds in accordance with their terms, the Trustee must receive irrevocable instructions from the Bond Bank, satisfactory to the Trustee, to call such Bonds for redemption at a specified date and pursuant to the Indenture. Outstanding Bonds will be payable only out of the money or securities held by the Trustee for the payment of the principal of, redemption premium, if any, and interest on the Bonds.

Any Bond or Series of Bonds or portion thereof will be deemed to be paid when (a) payment of the principal of that Bond or Series of Bonds, plus interest to its due date, either (i) has been made in accordance with its terms or (ii) has been provided for by irrevocably depositing with the Trustee, in trust and exclusively for such payment, (A) moneys (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized by Governmental Obligations) sufficient to make such payment, (B) Governmental Obligations maturing as to principal and interest in such amounts and at such times, without consideration of any reinvestments thereof, as will insure the availability of sufficient money to make such payments, or (C) a combination of such money and Governmental Obligations, and (b) all necessary and proper fees and expenses of the Trustee pertaining to the Bonds.

Defaults and Remedies

F. Events of Default.

Any of the following events constitutes an “Event of Default” under the Indenture:

- (a) Default in the due and punctual payment of any interest on any Bond;
- (b) Default in the due and punctual payment of the principal of any Bond, whether at stated maturity or on any date fixed for redemption;
- (c) Failure of the Bond Bank to remit any moneys required by the Indenture to the Trustee within the time limits prescribed in the Indenture;
- (d) Default in the performance or observance of any other covenants, agreements or conditions on the part of the Bond Bank contained in the Indenture or in the Bonds and failure to remedy the same within 60 days after receipt of notice, all in accordance with the Indenture;
- (e) Any warranty, representation or other statement by or on behalf of the Bond Bank contained in the Indenture or in any instrument furnished in compliance with or in reference to the Indenture is found to be false or misleading in any material respect when made and there has been a failure to remedy the same within 60 days after receipt of notice, all in accordance with the Indenture;
- (f) A petition is filed against the Bond Bank under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and is not dismissed within 60 days after such filing;
- (g) The Bond Bank files a voluntary petition in bankruptcy or seeking relief under any provisions of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against it under such law;
- (h) The Bond Bank is generally not paying its debts as such become due, or becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or liquidator or trustee of the Bond Bank or any of its property is appointed by court order or takes possession and such order remains in effect or such possession continues for more than 60 days;
- (i) The Bond Bank is rendered incapable of fulfilling its obligations under the Indenture for any reason.

G. Trustee's Rights and Remedies.

No default described under subparagraphs (d) or (e) above will constitute an Event of Default until actual notice of the default by registered or certified mail has been given to the Bond Bank by the Trustee or by the Owners of not less than 25% in aggregate principal amount of all Bonds then Outstanding and the Bond Bank has had 60 days after receipt of the notice to correct such default within the applicable period. If such default is correctable but cannot be corrected within the applicable period, it will not constitute an Event of Default if corrective

action is instituted by the Bond Bank within the applicable period and diligently pursued until the default is corrected.

Upon the occurrence of an Event of Default, the Trustee will notify the Bond Insurer and the owners of all Bonds then Outstanding of such Event of Default by registered or certified mail, and upon receiving the express written consent of the Bond Insurer with respect to exercising any such remedies in connection with the Bonds if the Bond Insurance Policy is in full force and effect at such time, will have the following rights and remedies:

- (a) The Trustee may pursue any available remedy at law or in equity or by statute to enforce the payment of the principal of and interest on Outstanding Bonds, including enforcement of any rights of the Bond Bank or the Trustee under the Qualified Obligations;
- (b) The Trustee may by action or suit in equity require the Bond Bank to account as if it were the trustee of an express trust for the owners of the Bonds and may take such action with respect to the Qualified Obligations as the Trustee deems necessary or appropriate and in the best interest of the Owners of Bonds, subject to the terms of those Qualified Obligations;
- (c) Upon the filing of a suit or other commencement of judicial proceedings to enforce any rights of the Trustee and of the Owners of Bonds under the Indenture, the Trustee will be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate and of the Revenues, issues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment will confer; provided, however, for so long as the Bond Insurance Policy is in full force and effect, any reorganization or liquidation plan with respect to the Bond Bank must be acceptable to the Bond Insurer, and in the event of any reorganization or liquidation, the Bond Insurer will have the right to vote on behalf of the holders of the Bonds; and
- (d) The Trustee may declare the principal of and accrued interest on all Bonds to be due and payable immediately in accordance with the provisions of the Indenture and the Act, by notice to the Bond Bank and the Attorney General of the State; provided, however, for so long as the Bond Insurance Policy is in full force and effect, the Trustee may, with the consent of the Bond Insurer, and will, at the direction of the Bond Insurer or 25% of the holders of the Bonds with the consent of the Bond Insurer, by written notice to the Bond Bank, the Attorney General of the State and the Bond Insurer, declare the principal of the Bonds to be immediately due and payable, whereupon that portion of the principal of the Bonds thereby coming due and the interest thereon accrued to the date of payment will, without further action, become and be immediately due and payable, anything in the Indenture or the Bonds to the contrary notwithstanding.

If an Event of Default has occurred, if requested to do so in writing by the holders of 25% or more in aggregate principal amount of Outstanding Bonds and if indemnified as provided in the Indenture, the Trustee will be obligated to exercise such of the rights, remedies and powers

conferred by the Indenture, as the Trustee, being advised by counsel, deems most expedient in the interests of the holders of the Bonds.

The Owners of a majority in aggregate principal amount of Bonds then Outstanding will have the right, at any time during the continuance of an Event of Default, by a written instrument or instruments executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture or for the appointment of a receiver or any other proceedings under the Indenture.

Anything in the Indenture to the contrary notwithstanding, upon the occurrence and continuance of an Event of Default and for so long as the Bond Insurance Policy remains in full force and effect, the Bond Insurer will be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Bonds or the Trustee for the benefit of the holders of the Bonds under the Indenture, including, without limitation: (i) the right to accelerate the principal of the Bonds as described in the Indenture; and (ii) the right to annul any declaration of acceleration. The Bond Insurer will also be entitled to approve all waivers of Events of Default.

H. Waivers of Events of Default.

At its discretion, the Trustee may waive any Event of Default and its consequences, and must do so upon the written request of the owners of (i) more than 66 2/3% in aggregate principal amount of all the Bonds then Outstanding in respect of which an Event of Default in the payment of principal or interest exists or (ii) more than 50% in aggregate principal amount of all Bonds then Outstanding in the case of any other Event of Default. However, there may not be waived (A) any Event of Default in the payment of the principal of any Outstanding Bond at the specified date of maturity or (B) any Event of Default in the payment when due of the interest on any Outstanding Bond unless, prior to the waiver, all arrears of interest or principal due, as the case may be, with interest on overdue principal at the rate borne by such Bond, and all expenses of the Trustee in connection with the Event of Default have been paid or provided for. In case of any such waiver, or in case any proceeding taken by the Trustee on account of any such Event of Default has been discontinued or abandoned or determined adversely, then the Bond Bank, the Trustee and the owners of Bonds will be restored to their former respective positions and rights under the Indenture. No waiver will extend to any subsequent or other Event of Default or impair any rights consequent thereon. Notwithstanding the foregoing, for so long as the Bond Insurance Policy remains in full force and effect, the Bond Insurer will control all proceedings and the exercise of all rights or remedies with respect to the Bonds.

I. Rights and Remedies of Owners of Bonds.

No owner of any Bond will have any right to institute any proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust thereof or for the appointment of a receiver or any other remedy under the Indenture, unless (i) an Event of Default has occurred, (ii) the owners of not less than 25% in aggregate principal amount of Bonds then Outstanding have made written request to the Trustee and have offered the Trustee reasonable opportunity either to proceed to exercise the remedies granted in the Indenture or to institute

such action, suit or proceeding in its own name, (iii) such owners of Bonds have offered to indemnify the Trustee, as provided in the Indenture, and (iv) the Trustee has refused, or for 60 days after receipt of such request and offer of indemnification has failed, to exercise the remedies granted in the Indenture or to institute such action, suit or proceeding in its own name. All proceedings at law or in equity must be carried out as provided in the Indenture and for the equal and ratable benefit of the owners of all Outstanding Bonds. However, nothing contained in the Indenture will affect or impair the right of any owner of Bonds to enforce the payment of the principal of and interest on any Bond at and after its maturity, or the limited obligation of the Bond Bank to pay the principal of and interest on each of the Bonds to the respective owners of the Bonds at the time and place, from the source and in the manner expressed in the Bonds. Notwithstanding the foregoing, for so long as the Bond Insurance Policy remains in full force and effect, the Bond Insurer will control all proceedings and the exercise of all rights or remedies with respect to the Bonds.

Nonpresentment of Bonds

If any Bond issued under the Indenture is not presented for payment when the principal becomes due, either at maturity, or at the date fixed for redemption, or as set forth in any Supplemental Indenture regarding deemed tenders or redemptions or otherwise, and if funds sufficient to pay such Bond have been made available to the Trustee for the benefit of the owner thereof, all liability of the Bond Bank to the owner thereof for the payment of such Bond will forthwith cease, terminate and be completely discharged, and thereupon it will be the duty of the Trustee to hold such funds uninvested for five (5) years, for the benefit of the owner of such Bond, without liability for interest thereon to such owner, who will thereafter be restricted exclusively to such funds, for any claim of whatever nature on its part under the Indenture or on, or with respect to, such Bond.

Any money so deposited with and held by the Trustee in trust for the payment of the principal of and interest on the Bonds and remaining unclaimed by any Bondholder for five (5) years after the due date of such principal or interest, will be applied by the Trustee in accordance with the Unclaimed Property Act, Indiana Code 32-34-1, as amended from time to time. Prior to the transfer of any such moneys to the Attorney General of the State in accordance with the Unclaimed Property Act, the Trustee will conduct searches in an effort to locate lost Bondholders using reasonable care to ascertain the correct addresses of all lost Bondholders in accordance with the rules governing registered transfer agents promulgated by the Securities and Exchange Commission pursuant to the Securities Act of 1934, as amended, but only if and so long as the Trustee is a registered transfer agent under those rules. Upon the transfer of such moneys to the Attorney General of the State in accordance with the Unclaimed Property Act, the Bond Bank and the Trustee will have no further responsibility or liability with respect to such moneys, and the Bondholders entitled to such principal or interest will look only to the State for payment, to the extent provided by law, and then only to the extent of the amounts so received by the State, without any interest thereon.

Other Obligations Payable from Revenues

The Bond Bank will grant no liens or encumbrances on or security interests in the Trust Estate (other than those created by the Indenture), and, except for the Bonds and any Refunding Bonds, will issue no bonds or other evidences of indebtedness payable from the Trust Estate.

Limitations on Obligations of Bond Bank

The Bonds, together with interest thereon, are limited obligations of the Bond Bank payable solely from the Revenues of the Bond Bank and will be a valid claim of the respective owners thereof only against the Funds and Accounts, established under the Indenture and the Qualified Obligations acquired by the Trustee, all of which are assigned and pledged for the equal and ratable payment of such Bonds and will be used for no other purpose than the payment of the Bonds, except as may be otherwise expressly authorized in the Indenture. The Bonds do not constitute a debt, or liability of the State, or of any political subdivision thereof, but will be payable solely from the Revenues and funds pledged therefor in accordance with the Indenture. The issuance of the Bonds under the provisions of the Act does not directly, indirectly or contingently, obligate the State or any political subdivision thereof to levy any form of taxation for the payment thereof or to make any appropriation for their payment and such Bonds and the interest payable thereon do not now and will never constitute a debt of the State or any political subdivision thereof within the meaning of the constitution of the State or the statutes of the State and such Bonds do not now and will never constitute a charge against the credit or taxing power of the State or any political subdivision thereof. Neither the State nor any agent, attorney, member or employee of the State or of the Bond Bank, will in any event be liable for the payment of the principal of, and premium, if any, or interest on the Bonds or damages, if any, for the nonperformance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Bond Bank. No breach by the Bond Bank of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the State or any of the State's or the Bond Bank's agents, members, attorneys and employees or any charge upon the general credit of the State, nor any political subdivision thereof.

Immunity of Officers and Directors

No recourse will be had for the payment of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in the Indenture contained against any past, present or future officer, member, director, agent or employee of the Bond Bank, or any officer, member, director, trustee, agent or employee of any successor entities thereto, as such, either directly or through the Bond Bank, or any successor entities, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, members, directors, trustees, agents, or employees as such, is hereby expressly waived and released as a condition of and consideration for the execution of the Indenture and issuance of such Bonds.

Supplemental Indentures

The Bond Bank and the Trustee may, with the prior written consent of the Bond Insurer for so long as the Bond Insurance Policy remains in full force and effect, but, without the consent

of, or notice to, any of the Bondholders, enter into any indenture or indentures supplemental to the Indenture for any one or more of the following purposes:

- (a) To cure any ambiguity, formal defect or omission in the Indenture;
- (b) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional benefits, rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Bondholders or the Trustee, or to make any change which, in the judgment of the Trustee, does not materially and adversely affect the interest of the owners of Outstanding Bonds and does not require unanimous consent of the Bondholders pursuant to the Indenture;
- (c) To subject to the Indenture additional Revenues, properties or collateral;
- (d) To modify, amend or supplement the Indenture or any indenture supplemental thereto in order to permit qualification under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if the Bond Bank and the Trustee so determine, to add to the Indenture or to any indenture supplemental thereto such other terms, conditions and provisions as may be permitted by the Trust Indenture Act of 1939 or similar federal statute;
- (e) To evidence the appointment of a separate or co-trustee or the succession of a new Trustee under the Indenture or the succession of a new registrar and/or paying agent;
- (f) In connection with the issuance of Refunding Bonds;
- (g) To provide for the refunding of all or a portion of the Bonds issued under the Indenture; and
- (h) To amend the Indenture to permit the Bond Bank to comply with any future federal tax law or any covenants contained in any Supplemental Indenture with respect to compliance with future federal tax law.

With the exception of Supplemental Indentures for the purposes described in the preceding paragraph and subject to the terms of the Indenture, the owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding which are affected (other than Bonds held by the Bond Bank) have the right, from time to time, to consent to and approve the execution by the Bond Bank and the Trustee of any other indenture or indentures supplemental thereto as are deemed necessary and desirable by the Trustee for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any Supplemental Indenture, but only with the express written consent of the Bond Insurer for so long as the Bond Insurance Policy remains in full force and effect. However, no Supplemental Indenture may permit or be construed as permitting, without the consent of the owners of all then Outstanding Bonds and the Bond Insurer for so long as the Bond Insurance Policy remains in full force and effect, (i) an extension

of the maturity dates of the principal of or the interest or redemption date on, any Bonds, or (ii) a reduction in the principal amount of any Bond or a change in the redemption premium or the rate of interest on any Bond, or (iii) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (iv) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Indenture, or (v) the creation of any lien securing any Bonds, other than a lien ratably securing all of the Bonds at any time Outstanding, or (vi) any modification of the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of the Trustee without the written consent of the Trustee.

Trustee

By executing the Indenture, the Trustee accepts the trusts and duties imposed upon it by the Indenture, and agrees to perform such trusts and duties with the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs, but only upon and subject to the express terms and conditions of the Indenture.

The Trustee covenants and agrees to retain or cause its agent to retain possession of each Qualified Obligation and a copy of the transcript or documents related thereto and release them only in accordance with the provisions of the Indenture. The Bond Bank and the Trustee covenant and agree that all books and documents in their possession relating to the Qualified Obligations will at all times be open to inspection by such accountants or other agencies or persons as the Bond Bank or the Trustee may from time to time designate.

The Trustee and any successor Trustee may at any time resign from the trusts created by the Indenture by giving 30 days' written notice by registered or certified mail to the Bond Bank, the owner of each Bond as shown by the list of Bondholders required by the Indenture to be kept at the office of the Trustee, and, for so long as the Bond Insurance Policy remains in full force and effect, the Bond Insurer. Such resignation will take effect upon the appointment of a successor Trustee and acceptance of such appointment by the successor Trustee. Notwithstanding any other provision of the Indenture and for so long as the Bond Insurance Policy remains in full force and effect, no resignation or termination of the Trustee will take effect until a successor Trustee, acceptable to the Bond Insurer, is appointed.

The Trustee may be removed at any time with or without cause by instrument or concurrent instruments in writing delivered to the Trustee and to the Bond Bank and signed by the owners of a majority in aggregate principal amount of all Bonds then Outstanding or their attorneys-in-fact duly authorized, but only with the express written consent of the Bond Insurer for so long as the Bond Insurance Policy remains in full force and effect. Notice of the removal of the Trustee will be given as described in the paragraph above. So long as no Event of Default, or an event which with the passage of time would become an Event of Default, has occurred and is continuing, the Trustee may be removed at any time for cause by resolution of the Bond Bank filed with the Trustee. For so long as the Bond Insurance Policy remains in full force and effect, the Trustee may be removed at any time, at the request of the Bond Insurer, for any breach of the trust set forth in the Indenture. Notwithstanding any other provision of the Indenture and for so long as the Bond Insurance Policy remains in full force and effect, no removal or termination of

the Trustee will take effect until a successor Trustee, acceptable to the Bond Insurer, is appointed.

In case the Trustee resigns or is removed, or is dissolved, or is in course of dissolution or liquidation, or otherwise becomes incapable of acting under the Indenture, or in case it is taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the owners of a majority in aggregate principal amount of all Bonds then Outstanding under the Indenture by an instrument or concurrent instruments in writing signed by such owners, or by their attorneys-in-fact duly authorized, a copy of which will be delivered personally or sent by registered mail to the Bond Bank. Nevertheless, in case of such vacancy, the Bond Bank by resolution may appoint a temporary Trustee to fill such vacancy. Within ninety days after such appointment, the Bondholders may appoint a successor Trustee, and any such temporary Trustee so appointed by the Bond Bank will become the successor Trustee if no appointment is made by the Bondholders within such period, but in the event an appointment is made by the Bondholders, such temporary Trustee will immediately and without further act be superseded by any Trustee so appointed by such Bondholders. Notice of the appointment of a temporary or successor Trustee will be given in the same manner provided above with respect to the resignation of a Trustee. Every such Trustee so appointed will be a trust company or bank having its principal place of business in the State, will be duly authorized to exercise trust powers, will be subject to examination by federal or state authority, will have a reported capital and surplus of not less than \$75,000,000, and, for so long as the Bond Insurance Policy remains in full force and effect, will be acceptable to the Bond Insurer, if there is such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

APPENDIX E-2

FORM OF QUALIFIED ENTITY PURCHASE AGREEMENT

FORM OF QUALIFIED ENTITY PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT, dated the ____ day of _____, 2004 ("Purchase Agreement"), between the Indiana Bond Bank, a public body corporate and politic ("Bond Bank"), created pursuant to the provisions of Indiana Code 5-1.5-1 et seq. ("Act"), having its principal place of business in the City of Indianapolis, Indiana, and the _____, a municipal corporation organized and existing under the laws of the State of Indiana ("Qualified Entity"),

WITNESSETH:

WHEREAS, the Bond Bank has adopted a resolution authorizing, pursuant to a Trust Indenture dated as of October 15, 2004 between the Bond Bank and The Bank of New York Trust Company, N.A., Indianapolis, Indiana, as trustee ("Indenture"), the issuance of its bonds designated "Indiana Bond Bank Taxable School Severance Funding Bonds Series 7 A" ("Bonds"); and

WHEREAS, pursuant to the Act, the Bond Bank is authorized to purchase securities (as defined in the Act, the "Securities") issued by qualified entities (as defined in the Act); and

WHEREAS, the Qualified Entity has adopted a bond resolution ("Resolution") duly authorizing the issuance of its bonds designated "Taxable General Obligation Pension Bonds of 2004" in the original aggregate principal amount of \$_____ ("Qualified Obligations"), and the Qualified Obligations are Securities to be purchased by the Bond Bank from proceeds of the Bonds in accordance with this Purchase Agreement;

NOW, THEREFORE, THE BOND BANK AND THE QUALIFIED ENTITY AGREE:

The Bond Bank hereby agrees to purchase the Qualified Obligations and the Qualified Entity hereby agrees to sell to the Bond Bank the Qualified Obligations concurrently with the issuance by the Bond Bank of its Bonds at a price of \$_____, which includes no accrued interest. The Qualified Obligations shall mature and bear interest and be subject to the terms as set forth on the attached Exhibit A. Except as hereinafter set forth in this Purchase Agreement, the other terms of the Qualified Obligations are set forth in the Resolution, a true and correct copy of which is incorporated herein by reference. The Treasurer of the Qualified Entity shall serve as registrar and paying agent for the Qualified Obligations.

The Qualified Entity has taken all proceedings required by law to enable it to issue its Qualified Obligations to be purchased by the Bond Bank.

Simultaneously with the delivery to the Bond Bank of the Qualified Obligations, which Qualified Obligations shall be substantially in the form set forth in the Resolution and registered in the name of the Bond Bank, the Qualified Entity shall furnish to the Bond Bank a transcript of proceedings and the opinion of _____, bond counsel, as to, among other things, the validity of the Qualified Obligations.

The Qualified Entity and the Bond Bank agree that the Qualified Obligations and the payments to be made thereon may be pledged or assigned by the Bond Bank under and pursuant to the Indenture.

The Qualified Entity agrees to furnish to the Bond Bank as long as any of the Qualified Obligations remain outstanding annual financial reports, audit reports and such other financial information as is reasonably requested by the Bond Bank.

If the Bond Bank determines to sell all or part of the Qualified Obligations, it agrees to pay or reimburse the Qualified Entity for all costs associated therewith including the printing of bonds, obtaining ratings therefor and providing services of a registrar and paying agent therefor.

If the Bond Bank and its underwriters do not deliver the Bonds and receive payment therefor on or before _____, 2004, the Qualified Entity may rescind this Purchase Agreement by giving written notice of such rescission to the Executive Director of the Bond Bank. The Bond Bank is obligated to purchase the Qualified Obligations solely from the proceeds of the Bonds.

If the Qualified Entity fails to sell all the Qualified Obligations to the Bond Bank in accordance with paragraph 1 herein for any reason within the Qualified Entity's control, the Qualified Entity shall on demand and to the extent permitted by law, pay to the Bond Bank an amount equal to all costs, expenses (including attorneys' fees) and consequential damages occasioned by the failure of the Qualified Entity to sell its Qualified Obligations in accordance with paragraph 1 herein.

On or prior to the delivery date of the Bonds, an authorized officer of the Qualified Entity will deliver a certificate to the effect that the statements made in the Official Statement of the Bond Bank pertaining to the Qualified Entity and the Qualified Obligations, as of the date of the Official Statement, did not contain any untrue statement of a material fact omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in financial condition and affairs of the Qualified Entity during the period from the date of the Official Statement to the date of delivery of the Bonds, which was not disclosed in or contemplated by the Official Statement. The portion of the Official Statement summarizing the Qualified Entity and the Qualified Obligations is deemed final by the Qualified Entity for the purposes of Rule 15c2-12 of the Securities and Exchange Commission, as of this date.

This Purchase Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the same instrument. The Bond Bank and the Qualified Entity agree that they will execute any and all documents or other instruments, and take such other actions as may be necessary to give effect to the terms of this Purchase Agreement.

No waiver by either the Bond Bank or the Qualified Entity of any term or condition of this Purchase Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent

breach, whether of the same or of a different section, subsection, paragraph, clause, phrase or other provision of this Purchase Agreement.

If the Qualified Entity or any entity on behalf of the Qualified Entity adopts an ordinance or resolution to refund all or a portion of the Qualified Obligations, the Qualified Entity shall within five days of the adoption of the ordinance or resolution, provide notice to the Bond Bank of the refunding; provided, however, the Qualified Entity agrees not to issue any obligations or allow any obligations to be issued for or on behalf of the Qualified Entity, the proceeds of which will be used in whole or in part to refund all or any portion of the Qualified Obligations unless: (i) the Qualified Entity provides the Bond Bank with the information necessary for the Bond Bank to prepare a Cash Flow Certificate (as defined in the Indenture); and (ii) that Cash Flow Certificate shows that such refunding will not have an adverse effect on the Bond Bank's ability to pay debt service on the Bonds.

If any provision of this Purchase Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Purchase Agreement and this Purchase Agreement shall be construed and be in force as if such invalid or unenforceable provision had not been contained herein.

This Purchase Agreement merges and supersedes all prior negotiations, representations, and agreements between the Bond Bank and the Qualified Entity relating to the subject matter hereof and constitutes the entire agreement between the Bond Bank and the Qualified Entity in respect hereof.

IN WITNESS WHEREOF, we have hereunto set our hands as of the day and year first above written.

INDIANA BOND BANK

By: _____
Dan Huge, Executive Director

[QUALIFIED ENTITY]

By: _____
President, School Board

ATTEST:

By: _____
Secretary, School Board

EXHIBIT A

_____, Indiana
Taxable General Obligation Pension Bonds of 2004

Principal Amount: \$ _____
Original Date: _____, 2004
Call:
Interest Payable: January 5 and July, 5 commencing July 5, 2005
Maturity and Interest Rates: On the dates, in the amounts and at the interest rates as follows:

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
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Mandatory Sinking Fund Redemption